reason

Free Minds and Free Markets / April 1983 / $2.00

REAGAN'S PLANS FOR MIDEAST WAR

Living Room Learning

Parents Fight for Home Schooling

Land Locked Up • Factories Held Down • Faceless Witnesses

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How to launch your own business for under $1,000 and make $25,000-$50,000 a year!

Management consultant David D. Seltz is an international authority on small businesses and franchising. He has served as Chairman for the International Franchising Congress in Zurich for two consecutive years and his business-guidance seminars have been sponsored by universities and government agencies, including the Small Business Administration.

In addition, Mr. Seltz has authored 16 books and more than 2,000 articles on these subjects which have appeared in such publications as *Nation's Business, Business Week, Wall Street Journal,* and *The New York Times.*

He has spent 14 months researching 18,292 small business opportunities to compile the first complete directory of *the most profitable small businesses* you can start in your spare time for under $1,000 (many for under $500).

He has published his findings in a book called, *"A Treasury of Business Opportunities for the Eighties,"* published for anyone who's dreamt of owning a business.

In its fascinating pages, you'll learn . . .

• How Michael S. makes $50,000 a year in a small community by providing a little-known, simple service needed by the graduating class of every high school and college. His student customers are easy sales and his work consists mainly of placing phone calls.

• How John H. runs a weekend business that uses other people's vacant land to rake in as much as $10,000 profit per weekend. No equipment, no investment, no employees needed!

• How James P. charges $2,000 for a simple service most businesses need, but few people are aware of. He has so much business, he doesn't even advertise!

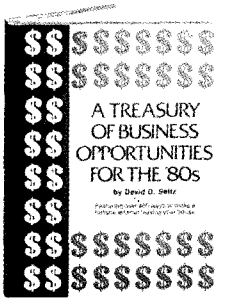
• How Ronald P. earns $100 per week on a $200 investment supplying a service needed by most storefront merchants.

You'll learn about a unique new product that's selling like wildfire to religious people and gives you a 500% markup. You'll discover an easy-to-start business that nets about $25,000 profit in the summer months alone. You'll be given the amazing inside story of a business that requires so little of anything, you could run it out of a phone booth. Yet it's quietly making better than $50,000 a year for scores of men and women.

And this is just the beginning! You'll learn how to rake in enormous finder's fees for putting two types of common business clients in touch with each other. You'll discover why certain national manufacturers will pay you upwards of $40,000 a year for making local contacts for them. You'll see how to start a business in which moonlighters work their tails off to earn you $50,000 a year.

You'll learn where to haul away crates of what some businesses consider "junk"—but which other businesses need desperately and will pay you as much as $60,000 a year for. You'll discover a product that costs pennies to make, sells for $5, and is wanted by thousands in just about every community. And you'll be shown how to start an exclusive kind of club which can bring you more than $50,000 a year from people who'll feel *privileged* to pay you a hefty membership fee for the right to belong!

You'll see how to sell *a few sheets of paper* for as much as $2,000 to businesses all over your home town. . . . You'll read about the "dead flower" strategy that requires only one visit per customer per month yet gives back up to $25,000 per year in return. . . . You'll discover how to get people all over your community to gladly lend you their cars and then just as gladly pay you up to $50,000 a year to perform one simple, nonmechanical act with those cars.



This 283-page, 8½" x 11" hardcover book uncovers dozens of little "goldmine" businesses. It gives you everything you need to get started in your own profitable business, in your spare time, with minimum capital.

You'll read the remarkable story behind one little-known business that is not only depression-proof, but actually does fantastically well when the economy grows worse. Not only are the profits potentially enormous in this business, but there is this unexpected advantage: Simply issuing your own business card as a dealer enables you at once to buy men's suits for $22, metal tennis rackets for $8, electric typewriters for $85, and dozens of other items far below wholesale.

If you or your spouse like to "putter" around the kitchen, just turn to page 68 of this book and see how you can make that puttering yield you a spare-time income of $25,000 a year.

And if that's not enough to get you started in your own little "goldmine" business, wait till you discover . . .

• The instant travel business that gives you up to 50% discounts when you wish to go on a trip.

• The simple idea that lets you run your own sweepstakes—with *someone else* putting up the prizes!

• The method for earning thousands of dollars on other people's inventions.

• 23 different ways your car or truck can help produce profits.

• The way to turn each of your handy-man friends into a spare-time income of $25,000 a year.

• The technique for having your products displayed and sold in the finest homes in your area —with sales as high as $500 per home. This one strategy alone may be worth 100 times the cost of the book—and it's all yours on page 217.

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APRIL 1983/VOL. 14, NO. 12

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Free Minds and Free Markets

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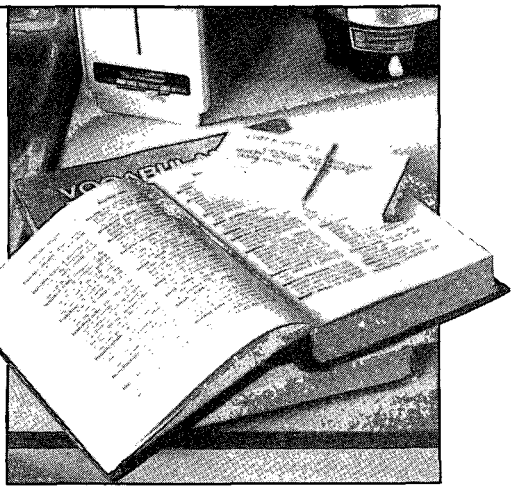

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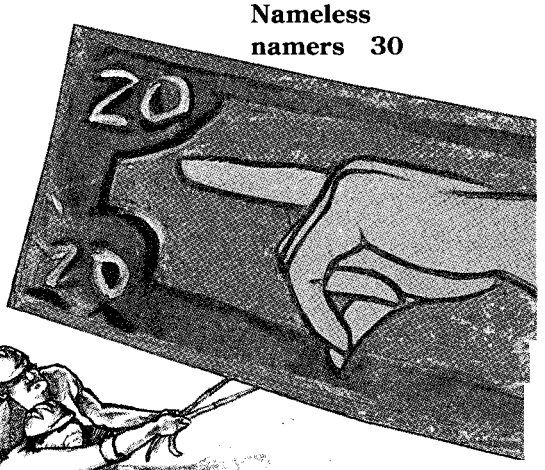

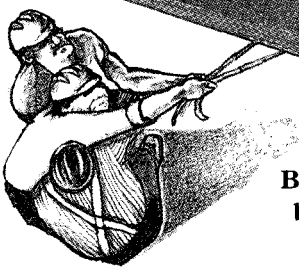

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NOTEs

The SEC apparently didn't appreciate our January cover story on their attempts at censorship of financial newsletters. Our Washington office received an angry call from an SEC bureaucrat demanding copies of the issue. But since then there's been nary a peep out of the agency. Meanwhile, the Newsletter Association of America has distributed the issue to every member of Congress. NAA vice-president Glen Parker told REASON that "everybody in the industry is delighted with your coverage of the First Amendment." Financial writer L. T. Patterson tells us that several people have sent copies of the issue to Sen. Alphonse D'Amato (R-N.Y.), who has expressed some concern over the SEC's activities. Patterson has also distributed copies to the board members of the International Association of Financial Planners.

One of the Reason Foundation's long-standing interests has been privatization of public services. In January we garnered some additional visibility for the idea, thanks to the Washington-based Heritage Foundation, which released a Backgrounder called "Municipal Services: The Privatization Option," which I wrote for them under contract. A summary of the piece was published in a number of newspapers. We have also received some nice plugs for our work on privatization in a recent John Chamberlain column and a new booklet by John Diebold, *Private Enterprise and Public Policy*. Copies of this excellent booklet are available to people with a serious interest in the subject. Write (on your company letterhead) to the Diebold Institute for Public Policy, 475 Park Ave. South, New York, NY 10016.

There's a whole slew of new reprintings of REASON articles to report. The California Senate's Committee on Agriculture and Water Resources has reprinted Kelly Ross's "Vanishing Farmland" (Mar. 1982) in a report on California farmland. The US Department of Education is reprinting Sam Blumenfeld's "The Victims of 'Dick and Jane' " (Oct.) in its *American Education* magazine. That article will also be included in the 1983 Dushkin Publishing volume, *Annual Editions: Education* for use in college courses.

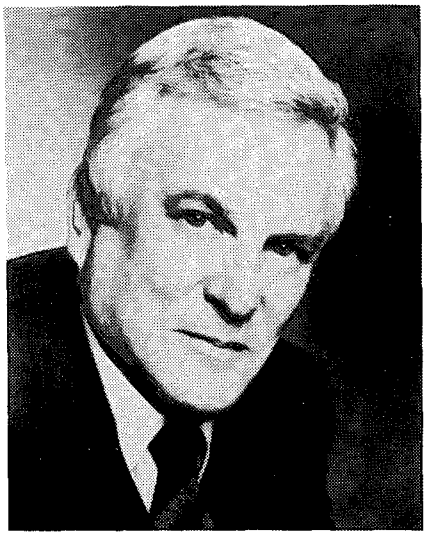
Speaking of classrooms, the Florida-based Social Issues Resources Series, which distributes loose-leaf volumes on 32 topics to nearly half the nation's high school classrooms each year, is reprinting two more REASON articles: "Free Lance Transit" by Gabriel Roth and "Lettuce and Sex" by Hugh Macaulay (Sept.). At the newspaper level, the Orange County *Register* has reprinted Bruce Clayton's August 1982 cover story, "Don't Plan to Die," and several papers reprinted Gaines Smith's "Have Yourself a Commercial Little Christmas" (Jan.).

We regret that on page 27 of the March issue, we published the wrong photograph over the caption "Grants Pass Rural's Bertha Miller." Mrs. Miller is shown in the picture on the left below; the woman on the right, whose picture we mistakenly published, is the owner of a service station and store where Phil Turnbull's Valley Fire Service successfully fought a fire.

Do you know of a college or university library that would welcome a donated subscription to REASON? If so, please let us know, because we have a donor who would be glad to provide such subscriptions. Drop a note to Madelyn Romaszewski at our Santa Barbara address.

I'm very pleased to announce the 15th Anniversary Banquet for REASON magazine. This gala, $150-a-plate affair will take place at the Beverly Hilton in Los Angeles the evening of May 19. Honored guests will include John Hospers, Robert LeFevre, Arthur Laffer, Council of Economic Advisers member William Niskanen, and other notables, plus the whole REASON crew. You won't want to miss this one. Seating is limited, and tickets are available on a first-come, first-served basis.

—R. P.



Who is Nathaniel Branden

... and what is his revolutionary new technique for curing couples' communications problems?

"WHO IS NATHANIEL BRANDEN?"
To answer that question, you must look at his trilogy of psychological insights on *Couples.*

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- **The Psychology of Romantic Love**
- **The Romantic Love Question and Answer Book** (with E. Devers Branden)
- **If You Could Hear What I Cannot Say**

The Trilogy on Couples, **"The Romantic Trilogy"** is now available for the first time from **Laissez Faire Books**, the leading Libertarian bookselling service in America. Sold separately, these books retail for $30.90, but this special pre-publication offer of **25% savings** lets you sample the entire trilogy for only **$24.95**. Use the coupon below.

FROM THE PREFACE:
"We cry out, but no one answers. Our words circle each other like enemies. We stare helplessly across an abyss of silence, or we hurl attacks that drive us farther and farther apart. (COMMUNICATION IS AT AN IMPASSE.) *Often the communication impasse we experience between ourselves and another person is a reflection of a communication impasse within us – our fear of hearing the voice of our deepest self."*

WHO IS NATHANIEL BRANDEN?
Dr. Branden is a pioneer in the study of self-esteem, personal transformation, and man/woman relationships. Dr. Branden is in private practice at the Biocentric Institute in Los Angeles, and he lives in Lake Arrowhead, California.

As director of the Biocentric Institute, he offers intensive workshops throughout the United States. He also conducts professional training workshops for mental health professionals.

LEARNING TO COMMUNICATE: the key to rekindling romantic love in your relationship.

"Communication" is an overused and abused word. The "communications industry" is actually the greatest enemy of person-to-person communications ever invented: television, telephone, video games, computer technology. These tools of Mass Communications have made *intimate* communications all the more difficult.

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One observer smiled and shook her head:

"It's terrible when you think of people lying on couches year after year to gain the kinds of insights that emerge here in minutes."

–from page 58

If You Could Hear What I Cannot Say ... turns *you* into a co-author and co-therapist. You actively participate in solving your own personal and inter-personal conflicts. This is a hands-on, practical, how-to, action-oriented book.

Explore such sensitive topics as sex, money, marriage, personal expectations, emotional security and past traumas – expressing, perhaps for the first time, what you seemingly *could not say*, even to yourself.

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The long-awaited third book of his "Romantic Trilogy" is now complete. With the 1983 publication of **"If You Could Hear What I Cannot Say"** Branden has completed this trilogy of path-finding psychological insights. If you have the first two "Romantic" books, order the third book NOW, hot off the press. If you haven't read the first two books, order all three at a *special group price!*

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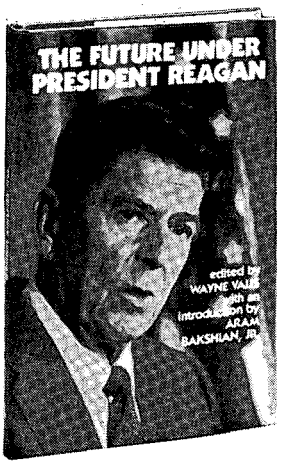

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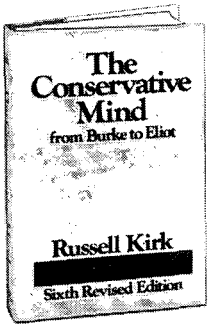

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Robert Poole, Jr.

Recovery Saboteurs

Congress, *n.*: an organization that attempts to solve yesterday's problems by tying up tomorrow's resources.

They're at it again. Our esteemed elected representatives have worked themselves into a lather over the projected "terrifying" deficits. In response, they're gearing up to dismantle the few productive changes that have flowed from Reaganomics. The result will be the throttling of what could otherwise be an explosive economic recovery.

Lest that sound like too strong a claim, consider the economic evidence. Over the past two years interest rates have been cut in half and inflation slashed from 12 percent to below 4 percent. The percentage of GNP consumed by federal taxes has dropped, from just under 21 percent to below 19 percent. Even unemployment has begun to decline.

During the past two years businesses grew significantly leaner and more efficient. For the first time in decades, unions accepted not just pay freezes but actual pay cuts, making US labor costs more competitive. Obsolete plants have been shut down and inventories reduced to very low levels. Consumer debt has shrunk—people have been putting off large purchases until their *real* incomes start rising again (as they haven't done since 1978). Thus, the stage is set for a tremendous boom.

Why, then, do all the forecasters talk about weak growth and continuing deficits? The economic answer is that econometric models—which they all use—are notoriously unreliable. They tend to be extrapolations of what has *been* happening, rather than true explanations of what's *going* to happen. As Karl Brunner and Allan Meltzer point out, over a recent five-year period the *average* error in 13 next-quarter forecasts was between 2 percent and 3½ percent, while year-ahead forecasts erred by between 1 and 2 percent. And as Milton Friedman has noted, forecasts three to five years ahead "are not worth the paper they're printed on."

There is a *political* reason for the scary forecasts, also, and it is more ominous. There's a huge constituency for big government in this country. It includes big banks, much of the Fortune 500, road builders, home builders, farmers, and most of the lobbyists, law firms, and government employees in Washington. By seeking to shrink the role of government, Ronald Reagan has posed the most serious threat to that constituency in 50 years. So it is hardly surprising that this constituency—and its forecasters, consulting firms, and media house organs—is raising the specter of uncontrollable deficits. Their political purpose is to undo what remains of the Reagan experiment.

Their major target is now coming under a carefully orchestrated attack. Its name is *indexing*. The 1981 Reagan tax cuts reduced the marginal rates of taxation on personal income by 25 percent over 2½ years. To preserve those gains against bracket creep, the same law provides that as of 1985 tax brackets will be adjusted each year to compensate for inflation. Even after the 1982 corporate-tax and gasoline-tax increases, indexing would keep the federal government's take below 19 percent of GNP from 1985 through 1988.

Indexing of tax brackets is a matter of simple justice. Without it, every 10 percent of inflation increases government's tax take by *16.5 percent*, providing a built-in engine for government growth. It was this sort of legalized theft that led to the out-of-control growth of government during the 1970s.

Canada indexed its tax brackets in 1974, and Denmark, France, and West Germany have followed suit. Since 1979, 10 states have done likewise, most recently California and Maine by vote of the people. Studies of the Canadian experience show that people with low to moderate incomes have benefited the most, primarily because tax brackets are wider in the upper ranges.

The game plan of the big-government constituency is simple. Stir up fear of huge deficits and blame them on cuts in tax rates (ignore continued growth in spending). Get indexing repealed, pump up inflation, and then use bracket creep to wipe out the deficit.

Is such a campaign under way? In recent weeks such notables as Senate Majority Leader Howard Baker, House Speaker Tip O'Neill, House Ways and Means Committee Chairman Dan Rostenkowski, and House Budget Committee Chairman James Jones have all called for repeal of indexing. O'Neill has called it a "time bomb" and Baker has stated that indexing puts tax policy "on automatic pilot and builds in economic and political distress that we are not prepared to cope with." Unprecedented rates of money supply growth over the past six months (M1 as much as 20 percent, the monetary base around 9 percent) make it clear that the Fed is already doing its part.

Can the big-government constituency's game plan be countered? A lot will depend on the rate of recovery. If the economy picks up as rapidly as Milton Friedman expects, deficits could begin dropping, forcing the forecasters to recant. (According to the Office of Management and Budget, were unemployment reduced to 6 percent, the deficit would be $175 billion less!)

Politically, however, the *fear* of future deficits must be countered. And the best way to do that—without choking off the recovery by raising tax rates—is to cut spending. Last November we noted a Cato Institute study that identified $107 billion in cuts by ending subsidies to business. Now the Heritage Foundation has issued a report targeting $111 billion in cuts by repealing subsidies and turning over programs to the states or the private sector.

Alternatively, there's a *total freeze* on spending, as suggested by Lew Uhler of the National Tax Limitation Committee. It would make everyone—including the military and Social Security recipients—share in the task of getting spending under control. A true freeze would allow revenues to catch up with spending sometime between late 1984 and mid-1985.

The point of such actions is to make sure that there *is* a recovery. If we aren't careful, though, the big-government constituency will soon have us back to stagflation-as-usual.

Robert Poole, Jr.

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<tr><td>8:00 am</td><td colspan="2"></td><td colspan="2">Open L5 Board Breakfast</td></tr>
<tr><td>9:00</td><td colspan="2">Opening Address
"Financing the High Frontier"</td><td>Private Enterprise
In Space</td><td>Space Transportation
Systems (future)</td></tr>
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Around the World
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Solar System</td><td colspan="2">Open L5 Society Board Meeting</td></tr>
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Register early and save. Fill out the registration form below, detach, and mail with your fee to **"L5", 114 Byrne St., Houston, Texas 77009.** You will receive regular conference updates. The Awards Banquet is on Saturday night. Last year the Banquet sold out, so buy your tickets now.

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Letters

Keeping Family Planning on the String

In her article "Cutting the Umbilical Cord" (Feb.), L. A. Villadsen dealt with one of the most successful health programs ever funded by the federal government. In most areas of the United States, family planning was not available to low-income individuals, and if unwed, there were even more obstacles. The Office of Economic Opportunity authorized assistance to all low-income individuals irrespective of age or marital status. As she correctly states, many government health departments would not follow these guidelines, so Planned Parenthood was concerned and courageous enough to do so. Whether one is concerned with abused children, anguished parents, taxpayers, or all three, thus uniting the federal tax dollars and Planned Parenthood has been one of the most effective programs in the history of the United States.

Generally, education and outreach programs have had only a limited effect in recruiting patients. But they have had other positive benefits in bringing family-life education to youth groups, school settings, homes, and churches. I am sure the federal government has never funded a more cost-effective program than that of family planning. One of the tenets of OEO was to employ the unemployable, and many of these individuals were able to assume self-supporting, productive lives.

In America today, there are millions of individuals who do not have the funds to pay for family planning. Most states are reluctant to do so. The federal government is the only source able to supplement the excellent job Planned Parenthood is doing.

Robert L. Webber
Santa Maria, CA

Robert Webber is a former Planned Parenthood official. He said to reporter Villadsen in an interview for her article, and she quoted his remarks, on the subject of education programs: "If you're not going to use the (medical) service immediately, it may not be cost-effective to use the taxpayers' money." Villadsen reported his estimate that "the good programs" are about 25 percent of those now offered by Planned Parenthood and quoted from the interview: "Without tax money, the good programs would survive."—Eds.

§ WEALTH §

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QUESTION: In an independant survey of 142 gem companies in the U.S., 19 were rated "Preferred." Gem Market Reporter said about one of these companies; "They have gained an excellent reputation for honest dealings with their clients and for selling quality gemstones at very low prices." To what company were they refering?

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Reason Breeze

Thank you for another informative and enjoyable issue. It's been only three days since I've received this month's issue, and I can't wait till the next. The article on the SEC (Jan.) was simply a treat; finally, someone has made the connection between economic and political liberty in a way that will make liberal-minded people sit up and take notice. The whole issue was great! Thanks again for the most intelligible reading I've had the pleasure to digest.

Please don't sacrifice the magazine to your other worthy pursuits, as they will never mean the same to me as this monthly breeze of life that comes from a sea of literary lesions called investigative journalism. I swear that I will contribute to furthering your efforts when I am able, but until then, keep up the great work. Thanks for the third time.

Daniel Salem
Omaha, NE

Travel Log

The technology (identity chips in cars) described in "Charging What the Traffic Will Bear" (Trends, Jan.) has interesting applications. True, tolls would be more efficiently billed, but let's not forget the 3 percent income tax. Whether or not you drive straight home from work every night, that, your vacations in Las Vegas, and your travels around the country and around town would soon be on file somewhere.

What need for an internal passport system when the very instrument of our freedom and mobility (see "Vroom to Grow," also Jan.) betrays us to the organs of the state? "Nationwide roadway pricing" via "central billing computer" indeed.

F. Weber
Ft. Huachuca, AZ

1984 Down the Road?

The custom memory identification chips referred to in the Trends item "Charging What the Traffic Will Bear" (Jan.) present a provocative solution to rush-hour traffic. Imagine it—everywhere you drove, radio frequency scanners linked to high speed government computers would ascertain the identity of your auto, chart your location, and charge you for road usage. An allegedly benevolent "Big Brother" helping to solve our rush-hour traffic problems and keeping a watchful eye on all of us at the same time—an Orwellian nightmare come true. As for the political will necessary to put the plan into action, I am sure support could be obtained from the FBI, the CIA, and a few congressmen bent on the bureaucratic domination of the electoral serfdom.

I urge the editors of REASON to reconsider their support for this proposal, which could greatly inhibit the freedom, enhanced by the automobile (see "Vroom to Grow," in the January issue also), that Americans enjoy. After all, *1984* is only a year away.

Gregory J. Roden
Houston, TX

Mr. Poole replies: Once a feasible method of charging for expressway use exists, there is no longer a real case for government ownership of the express-

ways. Does Mr. Roden have equally strong objections to AT&T or his local telephone company knowing whom he's called? Very likely not. Similarly, privately owned and operated expressways should pose little threat of 1984.

Coercion Correction

In a letter published in December, I said that Robert Nozick's earlier treatment of coercion involves the idea of "coercive offers," whereby someone's offer of a very high value in return for demeaning service would be a form of coercion. I mistakenly recalled Nozick arguing this position, reinforced in my bad recollection by Ross Levatter's representation of Nozick's view in *Philosophical Explanations.*

I should have confined myself to what Levatter's review says about Nozick's view of coercion. My memory of Nozick's earlier paper on the topic was rusty, so I should not have relied on it. I stick by my claim that Levatter should have examined more carefully the view on coercion he did in fact ascribe to Nozick in his review.

Tibor R. Machan
Santa Barbara, CA

Review Reply Reviewed

In a letter published in December, Tibor Machan says that "judging by [my] review" of Robert Nozick's *Philosophical Explanations* (Oct.), one would think it "presents ideas and arguments... wholly compatible with...principles of a fully free society" but that Nozick's view of coercion and my failure "even [to] try to come to grips with the issue" puts the lie to such compatibility and makes my little piece "not good reviewing." Unfortunately, Machan's claims are inaccurate and badly argued. What are the facts?

Fact one: Nozick, in a book of over 750 pages, spends a few pages discussing coercion. In a review I was instructed to keep under 1,000 words and explicitly told to keep "not too philosophical," I quoted Nozick's position, referenced an article about it, and explained how it differed from the typical libertarian view. Apparently this was not good enough for Machan, but it is not clear what else could be done without distorting the relative importance of Nozickian coercion to the book I was reviewing.

Fact two: The main thrust of my article was a distinction between libertarian philosophers and philosophers, like Nozick, who happen to be libertarian.... One of the points of this distinction is that creative thinkers like Nozick, when writing on ethics, epistemology, or metaphysics, will not necessarily produce arguments that fit rigidly narrow, preconceived notions of what constitutes a "free society."

Fact three: However, as my review explained, Nozick's view of coercion is manifestly compatible with a free society. Again, Nozick views "coercion" as a moral, not political, notion; this implies both that coercion, for Nozick, does not entail violating rights and that Nozick doesn't think coercion, per se, should be actionable. Machan calls this explanation "rather generous." It is actually highly accurate. However, I do agree with the traditional philosophic canon of being generous in interpreting others' arguments, of analyzing them in their best light. Clearly, Machan's writing indicates he disagrees with this approach.

Fact four: His attempt to explain why Nozick is wrong—his strange discussion of Marxist views of coercion and actionability—is both uninformed of the details of Marxist thought and a complete non sequitur, something of a disappointment coming from a philosophy instructor teaching a course in Marxist economics....

Ross Levatter, M.D.
Ann Arbor, MI

Handgun Retort

David Hardy's November 1982 article on handgun control, "Arm Yourself with Evidence," is an expected response of a NRA employee. It is impossible to refute all his allegations in this limited space, so I will concentrate on one which relates to an article I wrote.

The simple fact is that South Carolina has markedly improved its homicide rate since the introduction of tougher handgun laws. Mr. Hardy's claim that the law only required "better identification" is not even a half-truth. The law also required: no more than one purchase per 30 days, ban on sale or transfer of Saturday Night Specials (defined as die-cast frames with a melting point of 800° or less), handgun dealers licensed by the state, fingerprinting for state ID, and copies of all purchases filed with the state. (See: South Carolina Code of Laws Title 23, Article 3, Sec. 23-32-110, 130, 140, 150.)

The law was passed in June 1975. A

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comparison of 1974, 1975, and 1976 shows a straight-line decline in homicide (452-421-327), with handgun homicide accounting for 95 percent of the decline (264-227-147). In 1980 the overall figure was 346 with handguns at 172. If the nation as a whole had done as well over these five years there would be at least 10,000 more of us alive....

Samuel S. Fields
National Coalition to Ban Handguns
Washington, DC

Mr. Hardy replies: I have not had the pleasure of debating Mr. Fields since, as a part-time law student, he began describing himself as the legal affairs coordinator of the National Coalition to Ban Handguns. (NCBH had four full-time employees.) His occasional claims in our debates that South Carolina's 1975 gun law was the ticket to social utopia were not hard to deal with, given that he had made the mistake of writing a letter in 1976 blasting that state for its "permissive" gun laws, and I always took the precaution of keeping photocopies for the audience. The fact is that South Carolina's violence decline began *before* the June 1975 gun law (rates fell over 16 percent in January-February) and came in the wake of a 1974 law imposing mandatory sentences for use of a gun in crime. Violent crime went *up* an equal amount in June, July, and August, right after the gun law. I note that Mr. Fields regrettably seems unable to challenge the evidence that his organization's proposals have failed miserably in New York, New Jersey, Hawaii, and every other state where they have been tried.

Controlling Crimes

While I commend David T. Hardy's gun control article (Nov.), I would like to have seen more about how incentives apply to gun control—and why increases in violent crime frequently follow governments' tightening of controls on gun ownership. The main context is *perceived risk.*

By the nature of their "work," people willing to commit violent crimes are committed to taking dangerous risks. As such, there is enormous incentive for them to minimize risk by carrying weapons, including guns—no matter what the law says, because the overall minimization of risk that a gun provides far outweighs the risk of being legally penalized.

Average citizens, on the other hand, are not in their daily lives exposed to anywhere near the constant degree of risk that such criminals experience. Thus, average citizens' incentive to wade through gun control bureaucracies' restrictive procedures for obtaining or carrying a gun *decreases* as restrictions increase....As fewer potential victims obtain guns for defense and fewer are willing to risk illegally carrying them, criminals experience greater rewards for committing crimes because the balance of power shifts to them.

This explains the fact that while *overall* crime often increases after more stringent gun legislation is enacted, the incidence of *gun* crimes does not substantially change. Gun use in crimes does not decrease because criminals still *perceive* a high level of risk of running into those many (although fewer than before) victims who do own guns and will seriously resist. Gun crimes do not increase, either, because with fewer victims armed, it means more victims will have greater fear of *any* criminal, making it less likely victims will resist criminal actions, making it easier for criminals to commit crimes, and thereby encouraging them to do so without using their guns any more often than before.

Ernest G. Ross
Eugene, OR

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b r i c k b a t s

The highest-paid legal minds of New York are hard at work to settle a jurisdictional dispute—concerning a New York City billboard. State and city agencies disagree over who has authority to order the removal of an upper westside billboard. The City Planning Commission wants the sign removed, because it is in a residential area where such signs are prohibited. The state wants to be sure everything is done according to the letter of the law, or it could stand to lose up to $50 million under the Federal Highway Beautification Act. Legal briefs—prepared by consulting attorneys at fees of $100 an hour and better—are flying back and forth. Film at 11.

"Learn from Dazhai" was the slogan painted on thousands of Chinese walls to commemorate Chairman Mao's favorite commune. Dazhai's peasants were praised for putting the party ahead of personal profit, and for disdaining private plots in favor of communal labor. When Mao died, it was learned that this showplace of communism was a fabrication. The son of commune leader Chen Yonggui was exposed as a rapist and blackmailer. Chen himself, a former Politburo member, was accused of misusing his power. Recently, Dazhai has gone over to the "responsibility system," which allows peasants to keep some of their produce for private sale at the best price they can get. It wasn't the first time Chinese peasants learned that adaptability is a trait to be cultivated in a workers' paradise.

Imagine the gall of Timothy and Belinda Wright! They actually thought they could get away with constructing a house in Cascade, Michigan, that looks different from their neighbors'. Because of a zoning regulation, the Wrights stand to lose the $25,000 they've already sunk into their energy-efficient home. Since most of the house is underground to retain heat, the square footage of the above-ground rooms falls short of township requirements. The Wrights' neighbors, who've sued to stop construction of the house, say they're only concerned with maintaining the value of their own property by not allowing such an eyesore in the neighborhood. All the Wrights' money is tied up in their house, which they started constructing *after* getting the approval of the town's building inspector. The love of sameness by the Wrights' neighbors could turn their dreamhouse into a nightmare.

Keep your eye on South Dakota Gov. William Janklow. Anyone outspoken and free-thinking enough to suggest that scrapping Congress would solve America's budget problems bears close watching. "Nobody will miss them," he said of the nation's solons. "They are all a bunch of con men and women. It's the only free circus in the free world. The rest of America's problems would virtually take care of themselves." When he was asked who the Democrats are likely to nominate for president in 1984, Janklow suggested Mickey Mouse—"because he's the only one able to make Americans laugh at their misery for 30 years."

The Indians in Wichita, Kansas, have stopped dancing out of fear that federal agents will swoop down and literally pluck the feathers off their bodies. In the never-ending battle to protect rare and endangered birds, federal agents raided the homes of two American Indians and confiscated feathers and other body parts of eagles, hawks, and owls. Under federal law, it's a crime to own, trade, or sell the carcasses or parts of an eagle. But the law contains some exemptions for American Indians, who've traded and worn eagle feathers before Columbus proved the earth is round. But fearing another federal raid, the Wichita Indians have canceled an annual dance. "The older people are especially afraid," says Montie Deer, a lawyer who is part Indian. "They've been wearing eagle feathers all their lives and they don't understand why they can't practice their culture." Oh to live in the land of the free.

Hooray!! Only six years late and nearly four times its original projected cost, Woodhull Medical Center finally opened as a municipal hospital in New York City. With a daily Medicaid rate of $557 a day, the ultramodern hospital is $4 a day more expensive than the most expensive private voluntary hospital in the city. At a cost of $311 million so far, with more millions to be added on later, Woodhull far exceeded the original projected cost of $85 million. It seems that shortly after the project began, city and medical leaders decided they really didn't need another hospital in this section of Brooklyn after all. But by then it was too late—officials decided to open the white elephant, because it was too costly and too embarrassing to keep it closed. There's bureaucratic reasoning for you.

—MARK EDWARD CRANE

"TUITION TAX CREDITS? NO WAY—THAT WOULD DESTROY PUBLIC EDUCATION AS WE KNOW IT!"

TRENDS

PRIVATE CARE IN BRITAIN ENJOYS ROBUST HEALTH

Britain's 35-year-old socialized medicine program has weathered "budget cuts, conservative efforts to abolish it, strikes, and the exodus of thousands of physicians," the *Los Angeles Times* recently noted. But in the last few years, it has faced an entirely new challenge—people who are so dissatisfied with the National Health Service that they pay for private health care and insurance even while their taxes are financing the government system.

Britain has always permitted private health care, but in the last few years the industry has mushroomed. The *Economist* reports that in the five-year period ending December 1981, the number of Britons covered by private health insurance doubled to 4.1 million. The entire private health-care industry there is now worth some 330 million pounds a year, compared to 90 million pounds in 1976.

An important reason for the growth of private health care has been widespread dissatisfaction with some aspects of the state-run service. The *Los Angeles Times* says most Britons are "reasonably happy" with the care they receive for acute illnesses and emergencies, but "they must put up with long waits for non-emergency surgery such as hip or knee replacement, plastic surgery, and similar elective procedures. It is estimated that 700,000 Britons are on one-to-two-year waiting lists for elective procedures."

Britons with private health insurance generally have it as an employee benefit (this is the source of four-fifths of insurance companies' subscribers). At first, company-linked insurance was a perk only for senior staff, but gradually firms began offering group plans available at a discount to other employees as well. All told, 7 percent of the British population is now covered by private health insurance.

There have been vigorous protests against private health care, notably from the Trades Union Congress (the British equivalent of the AFL-CIO), which refuses to allow unions to organize workers in private hospitals. But Dr. David Bolt of the British Medical Association says: "We don't think arguments against the private system are valid. People should have a choice—it's part of ordinary freedom. We don't like state monopolies. It is good for the National Health Service to have competition."

There's some doubt about the future for private health care—whether it will continue to grow as rapidly as in the past. "Nobody knows whether we're 50 feet from the cliff's edge or 10 inches," a British economist told the *Times*. One variable is the cost of medical care provided by "the two big American invaders," Hospital Corporation of America (with 94 beds) and American Medical International (with 877 beds).

But clearly, the only question at this point is how much private health care will grow, not whether it will continue to exist. Because of the failures of socialized medicine, Britain's market for private health care is secure.

GROUND FLOOR HOUSING BOOSTS

Whenever there's a shortage of affordable housing—which there certainly is now—it's a sure bet that most politicians will have in their back pockets a government housing program that is both dazzling and unworkable. In fact, experience suggests that (to paraphrase Thoreau) that government housing policy is best which governs least.

Last year, the President's Commission on Housing pointed out that "excessive regulation raises housing costs by restricting available land, imposing unnecessary requirements in site development and construction standards, and lengthening the time needed to obtain regulatory permits. Many studies have examined the impact of governmental regulations on the cost of single-family homes, and . . . all the studies have a common finding: regulations increase costs—as much as 25 percent of the selling price in some cases."

Happily, the commission's insight is gaining some acceptance. In a speech last December, Sen. Richard Lugar (R-Ind.) declared that "promoting affordable housing at the local level is primarily an issue of deregulation and streamlining processing." And the Department of Housing and Urban Development (HUD) has started a project called the Joint Venture for Affordable Housing, which is, among other things, looking at the practical consequences of reducing local housing regulation.

The Joint Venture has already started demonstration projects in 30 cities. Although it's been in existence less than a year, some results are in. In Lincoln, Nebraska, HUD worked with local contractors and the city government to reduce on a trial basis local regulations for a housing development. For instance, the city streamlined the process for obtaining variances and building permits (instead of muddling their way through five agencies, builders had to contend with only one). It also relaxed restrictions on common-wall systems, a policy that had effectively eliminated the building of new duplexes, and lifted a requirement that units be set back at least 15 feet from lot lines.

The consequences were encouraging. One contractor sold new homes for $39,950 and made a profit, even though a private appraiser reported that such homes would normally sell for $51,000 in the Lincoln market. According to a HUD official, the contractor saved an estimated $3,000 simply because the city reduced its paperwork processing by 67 days; the remainder of the savings came from innovative use of construction materials. Not incidentally, residents of the neighborhood were generally delighted with the stylish and attractive new housing—and the city has now made permanent and expanded to the rest of the city the ideas tried in the demonstration project.

A more controversial reform that the Joint Venture hasn't dealt with is secondary units, or "granny flats." As noted earlier in Trends (Feb.), these are new housing units created on developed properties or added on to existing houses. They're far less expensive than building an entirely new structure, and they use costly urban space very efficiently. The only problem is that they're usually restricted—if not completely prohibited—by local zoning regulations, and formidable political forces (such as construction unions and homeowners' associations) have opposed permitting secondary units.

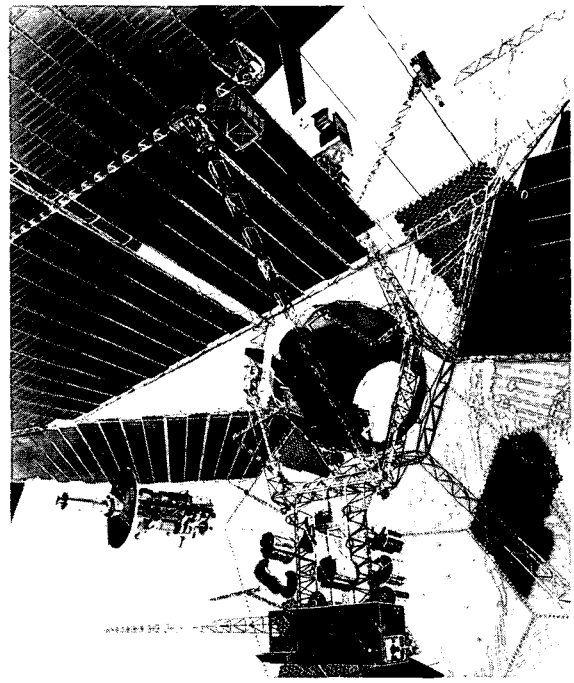
But somehow, Hawaii, which was the first state to pass a land-use control law, has seen its way clear to "ohana zoning," or permitting construction of a second residence on lots zoned for only one. It is the first relaxation of Hawaii's land-use

Private Enterprise Moves Into Space

Capitalism's last frontier. The vast resources of space are now available to private enterprise. Satellite communications is already a profitable industry generating revenues of over one billion dollars annually. Private corporations are planning to orbit the first automated space factories to produce pharmaceuticals (and perhaps other products) by 1986. The Reagan administration is studying proposals to sell off US launch vehicles, weather satellites, and Earth resources satellites to the private sector. The commercialization of space has begun.

And this is only the beginning. In the decades to come, the unique properties of the space environment will be used in hundreds of industrial processes. Solar Power Satellites can be built to tap the Sun's energy in space for use on Earth. The resources of the asteroid belt can be used to feed the growth of a new, profitable steel industry five hundred miles above the surface of the Earth. All this can be done with private capital, under private control.

But you won't read about this in the **New York Times**. Or **Time**. Or **Newsweek**. Their writers are still reporting on space exploration. . . and ignoring the new era of space industrialization. In fact, there has never been a major magazine devoted to covering this field in depth. Until now. . .



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●**Privatizing the Shuttle.** Budget cuts are forcing NASA to look to private investors to build the vehicles and facilities needed to support a planned schedule of 40 to 50 Space Shuttle flights per year. NASA Administrator James Beggs has recently endorsed an even more radical alternative—selling the entire Space Shuttle system to a private company.

●**Private launch vehicles.** Half a dozen companies are now working on low-cost, expendable private launch vehicles which will compete head-to-head with the Shuttle in launching unmanned satellites. The next generation of private launch vehicles, already on the drawing boards, will reduce launch costs by a factor of ten or more and will include manned vehicles.

●**Private space stations.** NASA's own internal studies show that a private corporation could develop and build a permanent, manned space station more efficiently and economically than the space agency. Such a station, serving the needs of the space communications and manufacturing industries, might indeed be a very profitable venture. And in Houston, the first private space station is already under design by a small engineering firm headed by NASA's former chief designer Max Faget.

●**The Amateur Space Telescope.** This amazing astronomical instrument—built by amateur astronomers for less than $100,000—will be ready for launch before NASA's own Space Telescope. And for certain types of observations, such as studies of Halley's Comet, the AST will actually out-perform NASA's one billion dollar instrument.

●**Portable wrist telephones.** A single large communications platform, assembled in space, could serve millions of small portable terminals, each the size of a wrist watch and costing less than $20. The cost of each call, long-distance calls included, would be less than 5¢ per minute. The technology for this service will be available by 1990. But recent actions by NASA and the FCC may prevent its implementation.

●**Satellite teleconferencing.** Video teleconferencing via satellite may replace half of all business travel in the United States. Potential revenues exceed ten billion dollars a year.

●**The new electronics.** New types of semiconductors manufactured in space may give rise to the next generation of electronics. Possible applications include computer chips, solar cells, laser optics, and low-light TV cameras.

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●Free Space by Gary Hudson, president and chairman of the board of GCH, Inc.—manufacturer of the Percheron commercial launch vehicle. Government regulation vs. free enterprise in space. Which will prevail?

controls in two decades. While this would be an important reform in any housing market where space is at a premium, it's especially valuable in Hawaii. Because of the huge demand for living space and the relatively small supply, Hawaiian lots cost an average of $10.18 per square foot—12 times the national average of 86 cents. And in 1980 the cost of land, as a percentage of the total cost of a single-family home, was 40 percent in Hawaii, compared to the national average of 24 percent. The First Hawaiian Bank predicts that Hawaii's horrendously expensive housing stock can be increased considerably at almost half-price—that is, just the construction costs without additional land costs.

BIG SCORES FOR ALTERNATIVE SCHOOLS

Is the state a disinterested party when it comes to the regulation of private schools? No, answered a Michigan court recently. Not only did the state, in attempting to control the curricula and teacher qualifications of two fundamentalist academies, violate the schools' religious freedom—it also engaged in a conflict of interest, the court ruled. Reason: a local school district in Michigan loses about $2,000 in state funds for each student that transfers to a private school; the state therefore has an incentive to restrict private schools.

Though the conflict-of-interest ruling is binding only in Michigan, it may well serve as a precedent in other cases throughout the nation. The decision puts into question Michigan's compulsory-schooling law, which—like laws in many other states—requires parents to send their children to state-approved schools.

Independent Christian schools, whose enrollments are approaching the 600,000 mark nationwide, form only a part of a widespread upsurge of alternatives to the public schools. The Washington, D.C.-based National Center for Neighborhood Enterprise estimates there are between 200 and 500 community-based, nonreligious, black private schools nationwide, for example. A standout among them is Los Angeles's Marcus Garvey School, which is now completing construction of a new building to accommodate 500 students. It will be the largest—and the first newly constructed—black alternative school in the country.

Donations of time, money, and labor made possible the construction of the $650,000 new facility, which will mainly serve children from low-income families. Impressed by the achievement of Marcus Garvey students—Garvey third-graders, for instance, taught by non-licensed teachers, scored higher in both reading and math than did public-school sixth-graders—Los Angeles's black community rallied to support the project.

Such superlative achievement could be replicated across the land through a restructuring of federal aid to education, suggests a presidential advisory committee. In a report submitted to President Reagan at last year-end, the 14-member panel recommended vouchers for low-income families and tuition tax credits for parents sending their children to private schools as ways of stimulating competition between public and private schools. Such measures are necessary, the report proposed, to get public schools to respond to parental demands for better education.

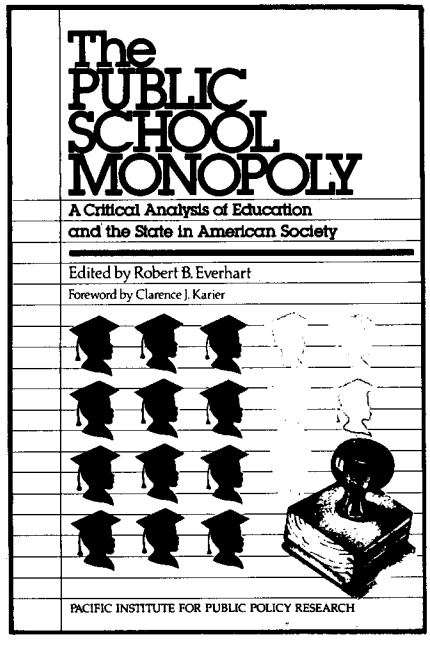
A FUTURE FOR FUSION

So far, the government has spent billions of dollars of taxpayers' money trying to develop nuclear fusion as a source of commercial energy, yet the Department of Energy estimates that success is still 50 years away—at least. But according to *Business Week*, two small companies, Inesco and GA Technologies, believe they can develop working fusion reactors far sooner. "We're hoping to be commercial by the end of the decade," says Inesco's president and founder, Robert Bussard.

The government is experimenting with enormous, costly projects—in December, the Energy Department was working with a $314-million "Tokamak" at a Princeton University laboratory, designed to prove for the first time that it's possible to get as much energy out of a fusion reaction as it takes to make it operate. But Inesco and GA Technologies are working on a far smaller scale. Inesco has designed what it calls a Riggatron (a mini-Tokamak with a disposable reactor chamber). The company estimates that a production model would sell for only $1 million—much more feasible for investor-owned utilities than the price tags of most government-sponsored projects.

Business Week reports that some in the

FREEDOM TO LEARN...


The PUBLIC SCHOOL MONOPOLY
A Critical Analysis of Education and the State in American Society
Edited by Robert B. Everhart
Foreword by Clarence J. Karier
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"Facts like these challenge the comfortable assumptions of public education leaders. . . . The timing couldn't be better for the issuance of THE PUBLIC SCHOOL MONOPOLY." —*Reason*

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fusion community "doubt the wisdom of Inesco's approach." The Department of Energy's associate director for fusion, John Clarke, says, "They're extrapolating the results of known fusion research well beyond the range of what is predictable.... It's a very risky experimental approach." But another skeptic, Ronald Parker of MIT, says, "If you could prove it wouldn't work, you could dismiss them as a bunch of crackpots—but you can't."

Peter Rose of Mathematical Sciences Northwest says that if Inesco's and GA Technologies' fusion reactors are in fact successful, they could have a revolutionary impact on the whole fusion-power strategy.

JITNEYS AJUMPIN'

For years, supporters of private-enterprise approaches to urban transportation have known of the advantages of jitneys—small (usually 8- to 12-passenger) vehicles that carry passengers along relatively fixed routes. While jitneys have been more common in other countries than here, they have begun to enjoy a comeback in California's three major cities.

San Diego, where service is most extensive, began permitting jitneys in 1979; since then, they have flourished. According to Maggie Smith of San Diego's Paratransit Administration, there are 36 vehicles currently in operation by about 12 companies. They transport passengers on shopping routes and to and from the airport, hotels, the five military bases in the area, and nearby La Jolla.

A big reason for the success of jitneys has been the city government's hands-off attitude. Regulation is minimal: companies can run any size of vehicle they want—or, to be exact, whatever size vehicle the market will bear, which has proven to be far smaller than the elephantine city-owned buses. Companies can also service any routes they choose, except for a congested downtown corridor three-quarters of a mile long and routes identical to those plied by the city-owned buses.

Jitney fares in San Diego are determined by the market; companies have only to file their rate schedules with the city and post the rates on the sides of their vehicles. "Prices used to vary quite a bit," says Smith, "but fares have begun to come down as the different companies see what their competition is charging." The jitney service is attractive enough to passengers for them to pay $1.50 to $6.00, depending on the company and the length of the route, while the city-owned transit is losing money charging 80 cents for its basic fare.

Several if not all of the private jitney services are doing well, and passengers are obviously happy with the innovation. As Smith says, "We think that jitneys have been very successful in San Diego."

Los Angeles is just getting started with jitney service. The state Public Utilities Commission has given two jitney services permission to operate, and one, Express Transit District (ETD), has already begun operation. Thus far on 6 of the 14 routes granted to it by the commission, ETD runs 56 converted airport rent-a-car vans. Referring to the gigantic, inefficient, government-owned Southern California Rapid Transit District, ETD co-owner Manuel Medinilla says, "He is Goliath and I am David."

David is holding his own. Medinilla and his brother, Francisco—natives of Juarez, Mexico—are now transporting some 6,500 passengers daily after less than a year in business, and they're about to start a radio and television advertising campaign. Despite their

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Before Midnight April 17

Viking Ind. will send any of the above boat size tarpaulins to any reader of this publication who reads and responds to this program before midnight, April 17. Each tarpaulin is constructed of high density fabric (with virgin grade ingredients, supplied by Gulf Oil Co., Dow Chemical Co., and Union Oil Co.) with nylon reinforced rope hems, double lock stitched hems, electronically welded seams, 100% water proof, #4 (½" dia.) metal grommets set on 3 ft. centers with reinforced triangular corner patches and are recommended for all heavy duty use, all yachts and sailboats, and all bulk or pallet riding materials, and will be accompanied with a LIFETIME Guarantee that it must perform 100% or it will be replaced free. Add $7 handling and crating for each tarp ordered, *Viking Ind.* pays all shipping. Should you wish to return your tarpaulins you may do so for a full refund. Any letter postmarked later than April 17 will be returned. LIMIT: Fifty (50) tarps per address, no exceptions. Send appropriate sum together with your name and address to: Tarp Dept. #104BK, *Viking Ind.*, 6314 Santa Monica Blvd., Los Angeles, CA 90038, or for fastest service from any part of the country call collect before midnight 7 days a week.

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prices being undercut by the government-owned Rapid Transit District system, they're nearly breaking even.

In San Francisco, according to the *San Francisco Examiner*, "jitneys that operate on Mission and Third streets may be loved by their riders, but they're catching hell from San Francisco city government." All jitneys are restricted to the Market Street corridor and only one other route; they must be owned by an individual, not a company (and since 1978, a person can't get a permit for more than one vehicle). Jitneys are required to charge 60 cents (the same as the government-owned transit's basic fare) if they stay on one route and 70 cents if they cross over to the other. The Police Commission sets a maximum number of passengers a vehicle may carry; and to receive a permit, a would-be operator has to satisfy the Police Commission in a public hearing that his or her jitney would serve the "public convenience and necessity."

All those restrictions, however, haven't satisfied the transit workers union—which doesn't like any competition—and some elected officials. The Board of Supervisors is currently considering restrictions on the maximum size of jitneys. The main object of their wrath is a 21-passenger "big blue bus" on the Market Street route, the largest operation, and the number of passengers that a jitney can carry. Last fall, the police halted the big blue bus because it was carrying more riders than its permit specified. Owner Jesus Losa had to ask some of the riders to get off, and the police charged Losa with violations such as the absence of half a door that was being repaired. The blue bus's passengers were incensed.

In January, the police department reprimanded Losa, and his bus still may be grounded by city-imposed passenger load limits. Could popular outrage at such meddling still save the day? Possibly.

FIRST-CLASS COMPETITOR FLYING HIGH

It will come as no surprise that in the last few months the Postal Service has not suddenly mended its ways and become more competent and reliable. Nor is it any wonder that the market for alternative mail delivery by the private sector continues to thrive. On February 15, a Denver-based operation called Western Airletter—the first company specializing in delivery of first-class-size mail—celebrated its first anniversary, and it looks like the company may have quite a few more.

Western Airletter actually relies on both private services and the Postal Service. When an airletter is deposited with Western, it is transported by air to a central sorting hub in Denver, where US postage is affixed, then flown to Postal Service centers at or near destination cities. Managing partner Jim Hanifin explains that a letter deposited with the Postal Service normally goes through 37 stages, but a Western airletter bypasses 34 of them. While it is with Western Airletter, a piece of mail may be in the hands of Western Airlines, Burlington Northern, or American Express, the three companies that make up the private airletter system. (Each company also provides delivery service independent of Western Airletter.)

According to Hanifin, the system is already delivering "in excess of 100,000 pieces of mail a week." In Denver, the test market, customers can drop off their letters at Safeway grocery stores, Photomat drive-up windows, U-Tot'em convenience stores, and American Express travel agencies. Service is also available on a smaller scale in Los Angeles, New York, Houston, Salt Lake City, San Francisco, Tulsa, and Atlanta. Mail can be received in about 200 cities.

Other distinctive features of Western's system include its low costs ($6.50 for 24-hour service compared to $11 via Federal Express); the magnetically codable stamps it issues, which hold up to 380 pieces of information (Hanifin got the idea after seeing the stamps that the Pony Express system had issued); and a double-money-back guarantee, partly insured by Lloyd's of London, if the system fails to deliver the service it promises. Western also provides such services as sworn statements that mail was dispatched on a certain date, 48-hour delivery service, and handling of intercompany mail.

Hanifin admits that in the preparations for Western Airletter, it never occurred to anyone involved (including the Postal Service officials that Western negotiated with) that the stamps would generate much interest—but they have. The company has been deluged with tens of thousands of requests from stamp collectors all over the world. ("We got about 15,000 requests in just a three-day period after an article about us appeared in the *Wall Street Journal*," Hanifin recalls.) The stamp collectors' bible, *Scott's Specialized United States Catalogue*, even lists Western's stamps in its 1983 edition.

Western Airletter is not and doesn't aspire to be a full-blown competitor to the Postal Service—even if it did, such obstacles as the private-express statutes would be powerful discouragement. But Western and its entrepreneurial brethren are showing that given half a chance—which is about what they have received—private enterprise can do a considerably better job than the Postal Service, and for less money.

FORECLOSING ON FANNIE AND FREDDIE?

Since the mid-1970s, two federally chartered companies—the Federal National Mortgage Association ("Fannie Mae") and the Federal Home Loan Mortgage Corporation ("Freddie Mac")—have been the major sources of mortgage money to the nation's small-property buyers. Operating through the so-called "secondary market"—where investors buy and sell mortgage obligations—Fannie Mae alone holds $69 billion worth of home loans. But now, reports *Washington Post* columnist Kenneth Harney, the Residential Funding Corp. (RFC) is stepping in as the first private-sector mortgagee to operate on the scale of the federal entities.

Created by Northwest Bancorporation—a major bank-holding company with $17 billion in assets—and its Minneapolis subsidiary, Banco Mortgage, RFC deals its mortgage securities through Wall Street's Salomon Brothers investment house. With 2,000 local savings and loans, banks, and mortgage bankers targeted for participation by year-end in RFC's nationwide network of loan originators, the corporation has already signed up 500 network members, reports Harney. In operation since December, RFC expects to provide $2 billion to $4 billion for loans on residential and small properties in its first year.

How can RFC compete with the federal gargantuans? For one, RFC, because it is free from congressional controls, can trade mortgages for single-family homes exceeding Fannie and Freddie's $108,300 limit. This is especially beneficial to home buyers in metropolitan areas where housing prices are high. In addition, unlike the federal entities, RFC is free to deal in mortgages that use

innovative financing mechanisms—such as quick principal pay-off plans, "step" loans, and favorable discount rates.

The arrival of RFC is certain to benefit the mortgage market and thousands of small-property buyers. It also makes us ask, Do we need Fannie and Freddie after all?

LESS LOCO IN MEXICO

In Mexico, the bad news is (and for some time has been) that the economy is in shambles. The good news is that the government of President Miguel de la Madrid, who came to office last December, is taking steps that may help restore a measure of economic sanity and stability that Mexico desperately needs.

First, de la Madrid has ordered the lifting of price controls imposed by his predecessor, José Lopez Portillo, on 4,700 items. Controls on 300 staples have been left intact. De la Madrid has also proposed measures allowing private investors to hold one-third ownership of Mexico's banks that were nationalized by Lopez Portillo shortly before he left office. Finally, de la Madrid established a 25-percent increase in Mexico's minimum wage—which falls far short of keeping pace with the country's current 100-percent annual inflation rate. The effect will be, of course, a far lower real minimum wage than before, which experience indicates will spur employment. Indeed, even before the official announcement of the new minimum wage, United Press International reported that "the lure for U.S. companies to establish Mexican border assembly factories will be even greater. All other labor-intensive companies receive similar benefits."

Mexico's economy cannot be healed in a day, but at least de la Madrid seems intent on putting it on the right track.

UNILATERAL DEREGULATION

The Federal Communications Commission (FCC) regulates the US end of international telecommunications, which include telephone, teletypewriter, and other computer-aided, high-speed data-transmission services. Presently, only five companies—the so-called international service carriers (ISCs)—are licensed by the FCC to offer international telecommunications services. But that will soon change—the FCC last December decided to deregulate the market.

Already, MCI Communications Corp., a discount long-distance telephone service with 3 percent of the domestic market, plans to provide service between the United States and Canada starting in April and anticipates offering service to Europe and elsewhere later this year. American Telephone and Telegraph has approached N.V. Phillips, a Holland-based company, about a link there.

One specific FCC deregulatory move—a proposal to allow ISCs to invest directly in satellite services, rather than requiring them to lease satellite capacity from Comsat, as has been the rule—won support from the Department of Justice. And though there has been some favorable response from the Canadians and British, most European governments are protesting the deregulatory scheme. In those countries, international telecommunication is a state monopoly; their governments fear a frantic scramble of US companies wanting to connect into their systems. Some countries have responded by declaring a limit on the number of hook-ups and requiring com-

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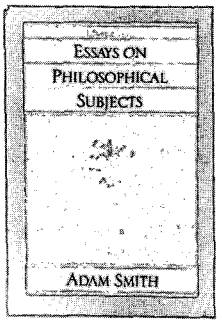


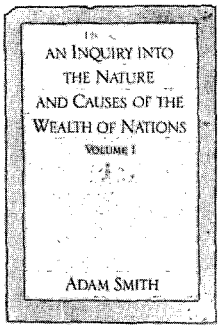
Essays on Philosophical Subjects

By Adam Smith

The Glasgow Edition

General Editors: D. D. Raphael and A. S. Skinner

The collection of Smith's writings entitled *Essays on Philosophical Subjects* was first published posthumously in 1795. It includes "The History of Astronomy" and "Of the External Senses," as well as essays on art, poetry, ancient science, and other subjects. Softcover only $5.50.



The Wealth of Nations
(In Two Volumes)

By Adam Smith

The Glasgow Edition

General Editors: R. H. Campbell and A. S. Skinner
Textual Editor: W. B. Todd

A softcover version of the edition commissioned by the University of Glasgow and published by Oxford University Press to celebrate the bicentenary of *The Wealth of Nations* in 1976. Softcover only—$11.00 the set.

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panies to bid for the limited connections.

The FCC, however, appears firm in its resolve to open the market to competition, which it reasons, will stimulate technological innovation and bring down prices. As to be expected, not all domestic firms in the telecommunications market favor deregulation. The ISCs now holding licenses will lose their guaranteed share of the market, while other firms fear deregulation may expose them to foreign competition.

HEROIN AND CRIME: RX FOR A SOLUTION

When 243 heroin addicts in Baltimore were asked to report on their activities over the previous 11 years, they admitted to committing a total of 500,000 crimes—many of them theft, robbery, and larceny—an average of 187 crimes per addict each year. Only one of every 120 crimes committed by heroin addicts results in an arrest, let alone a conviction. And one out of every five US prison inmates serving time for robbery was a heroin addict at the time he committed the crime.

These figures, reported by Prof. Arnold Trebach in his book *The Heroin Solution* (published last year), only begin to suggest the magnitude of the nation's heroin problem. Trebach, director of American University's Institute on Drugs, Crime, and Justice, cautions that data regarding heroin addicts are sketchy because so much goes unreported. But the correlation in this country between heroin addiction and violent and property crime, says Trebach, is "stupendous." On the other hand, Trebach notes, in the United Kingdom—where heroin is legally dispensed to addicts by prescription—"there is no significant statistical connection between being a heroin addict and being a violent criminal."

The number of reported addicts in the United Kingdom has risen slightly in recent years, a phenomenon some see as a condemnation of the British system. But, Trebach suggests, the attendant slight rise in addict crime is due to Britain's clinics' "tightening up on dispensing injectable drugs," thus forcing addicts to turn to the expensive heroin black market—and to crime to finance their dealings there. The British, Trebach says, are "Americanizing" their problem. As one step toward dealing with the heroin-crime problem in America, Trebach suggests allowing doctors to prescribe heroin for addicts—as one option, among others, for treating addiction.

It is simply because heroin is illegal in this country that the average addict's habit costs $300 a day to support—which accounts for the correlation between addiction and crime. If heroin were legal, that amount would perhaps be less than $2. Yet the federal, state, and local governments continue their multibillion-dollar effort to enforce laws that are virtually unenforcable—users and suppliers, acting voluntarily, have no reason to inform on one another.

Heroin may be a problem for those who are addicted to it. But only unwise laws make it a problem for those who aren't. The way to cure the social disease of drug-related crime is to remove its root cause—drug laws.

ADOPTING ORPHAN DRUGS

Signed into law by President Reagan in January, the Orphan Drug Act is one more example of new legislation designed to ease the problems created by prior legislation. In this case, the new act provides drug companies with tax breaks and money grants to develop so-called orphan drugs—those that treat rare diseases, of which there are 2,000 or so.

Burdensome government regulations have added tremendously to the cost of developing and getting market approval for a drug. The cost is now estimated to average upward of $70 million. To make a profit from such a costly venture, drug manufacturers need a large market for the final product—at least 2 million potential users. Hence, potential drugs for diseases afflicting fewer than that—Elephant Man's disease, for instance, and Tourette's syndrome—are usually left "orphaned" by manufacturers.

Under the new act, written by Rep. Henry Waxman (D-Calif.), the larger manufacturers may take tax deductions and credits amounting to 73 percent of the clinical-testing costs for an orphan drug. For smaller companies, the measure authorizes $12 million in research and development grants over three years, and it gives all firms a 7-year exclusive marketing period for non-patentable drugs.

Remarks by both Waxman and Reagan indicate just how obscured is their understanding of why these drugs have been left in the cold. The profit-seeking "drug-development system has failed us," lamented Waxman on the bill's signing, while Reagan viewed the measure as legitimate government intervention "where the free market alone can't do the job." The fact is, of course, that it is government regulation in the first place that has distorted the market for new drugs.

Though the act has been loudly applauded by many involved in the search for rare-disorder cures, extreme optimism may be unwarranted. Many rare diseases are of a genetic nature, requiring much basic research in biology and chemistry—costs not addressed by the bill.

MILESTONES

• *ICC ends barriers.* In January the Interstate Commerce Commission voted to eliminate a 48-year-old prohibition on railroads' moving into the commercial trucking business. An indignant trucking-industry lawyer warned of a "free-for-all" and said the decision would be challenged. A railroad spokesperson predicted the emergence of "full-service transportation companies" and lower prices for shippers.

• *First for broadcasting?* Sen. William Proxmire (D-Wis.) has introduced the First Amendment Clarification Act, which would give broadcasters the same First Amendment rights now enjoyed by the print media—and would mean the end of the "fairness doctrine" and the equal-time rule. The act goes to a subcommittee chaired by Sen. Robert Packwood (R-Ore.), who has proposed a similar constitutional amendment.

• *Postal power checked.* After House hearings uncovered widespread abuses of the US Postal Service's police powers, Congress killed a bill to expand its authority to regulate the content of mailed materials. The bill would have allowed the USPS to issue subpoenas without a judge's prior approval and to issue cease-and-desist orders against companies whose mail-order products or advertising is objectionable to postal authorities.

• *Opening pipelines.* The Department of Justice has drafted a proposal to deregulate the majority of the nation's oil pipelines. Justice Department data show that deregulation, which must be approved by Congress, would result in more efficient resource allocation.

—ROBERT POOLE, JR., PAUL GORDON, AND ERIC MARTI

Parents who want to teach their kids at home are increasingly winning court battles and organizing self-help networks.

By Gerald M. King

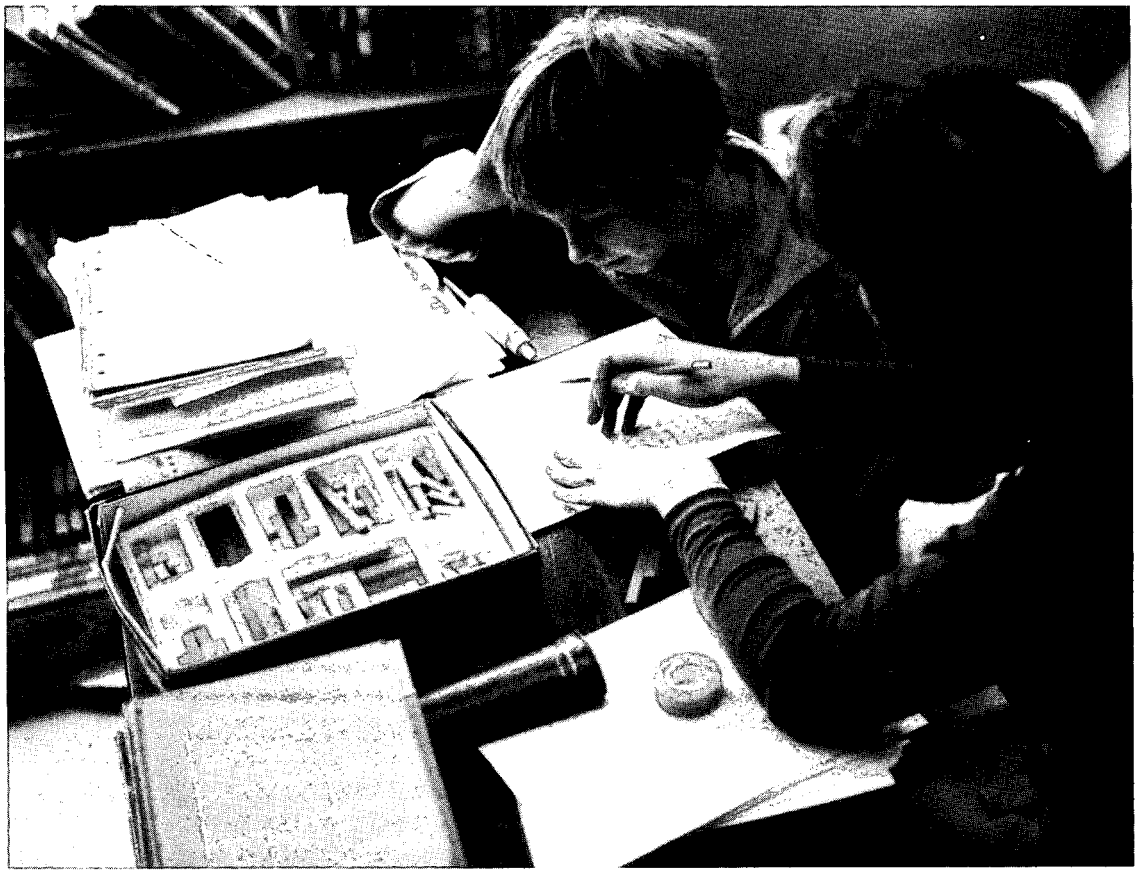
In April 1978, at the urging of Amherst, Massachusetts, Superintendent of Schools Donald Frizzle and the Amherst School Committee, the Massachusetts District Court issued warrants for the arrest of Peter and Susan Perchemlides. The couple's alleged crime: failure to comply with the state's compulsory schooling law by refusing to send their eight-year-old son, Richard, to the third grade. But before they could be tried, the Perchemlideses themselves initiated a civil suit against the school authorities—a case that put government-regulated, compulsory schooling on trial.

The Perchemlideses are not negligent parents. They simply wanted to educate Richard at home, by themselves—a choice that a rapidly growing number of parents throughout the nation are making. Like thousands of other parents, the Perchemlideses believed they could teach Richard better than could the public school. In the minds of the local school authorities, that belief made Peter and Susan Perchemlides criminals.

The family's legal confrontation with the public school establishment began in the fall of 1977. Peter, a Ph.D. in biochemistry from Duke University, and Susan, a student of social and political thought at the University of Massachu-

Home Schooling: Up from Underground

Photograph by Bill Boyd



setts at Amherst, notified Superintendent Frizzle that they would not return Richard to Mark's Meadow Elementary School to begin third grade. They believed that as a result of his experiences in second grade at that school Richard "had regressed in some cognitive skills," had "lost confidence and self-assurance," and had become "shy, unsure and self-conscious, discouraged over academic achievement and unable to project a goal for himself."

The couple also expressed deep philosophical differences with the school's dominant social values. They charged that the "hidden curriculum" of the school promoted conformity, passivity, alienation, and antiintellectualism. They had satisfactorily taught their two oldest sons at home for four years while living in Boston, they said, and now they wanted to pursue the same course with Richard.

Massachusetts is one of the few states that require prior school board approval of the curriculum of both private and home schools. Superintendent Frizzle told the Perchemlideses that the desire to teach Richard at home was "extremely unusual and...generally not viewed as a wise course of action." Nonetheless, he gave them a private school application for approval by the school committee and indicated that he would not expect as detailed a curriculum plan as required from a private school. At that point, the family entered an administrative nightmare that did not end until the court intervened on their behalf one year later.

Frizzle rejected the family's application. In a letter sent to them two weeks before the only school committee meeting that they were ever permitted to attend, he claimed that their application was inadequate: it did not indicate that the Perchemlideses had appropriate educational backgrounds; it did not indicate "curricular sequencing"; and it did not indicate what opportunity Richard would have for group experiences "essential to a child's personal and educational growth."

Though the Perchemlideses had been told that because of the less-formalized circumstances of home schooling, a fully detailed curriculum description would not be expected, their plan was then denied precisely because it did not provide enough curriculum information. This seemed inherently unfair to them, and they offered to submit an expanded proposal for the school committee's reconsideration.

Following a series of meetings to which the Perchemlideses were never invited, the committee rejected the revised proposal. No reasons were given. The couple asked the committee to reopen the matter so that they could explain their proposal. That request was also denied. Since Peter and Susan still refused to send Richard to school, the authorities sought a criminal indictment of them for truancy violation. The district court judge refused to arraign them, however, and dismissed the charges, because the couple took the offensive and filed a civil complaint against Superintendent Frizzle and the school committee in superior court.

In its suit, the family claimed a constitutionally protected right, under the Ninth Amendment, to teach Richard at home. (The Ninth Amendment acknowledges that individuals have rights in addition to those explicitly enumerated in the Constitution.) They also claimed that the school committee had denied their right to due process, because there were no procedural safeguards against arbitrary decisions.

The official position of the school

Photographs courtesy of Clonlara School

authorities was that the law requires all educational alternatives to be the equivalent of public schools. For the reasons cited in Superintendent Frizzle's letter, the authorities contended that parents cannot provide the equivalent of public schooling at home. Furthermore, they claimed that parents are entitled only to "elementary" due process, that the school committee has complete discretion in reaching a decision, and that its decisions are subject to only "limited" review by the courts.

In September 1978, Judge John Greaney ruled that "the plaintiffs have a right...to home education for their child, and this right bears constitutional protection...through its inclusion in the penumbra of certain protected constitutional rights, most notably those guaranteed by the Nineth [*sic*] Amendment." He did not require the Perchemlideses to prove a First Amendment right to educate their child at home, stating:

Parents need not demonstrate a formal religious reason for insisting on the right to choose other than public school education since the right of privacy, which protects the right to choose alternative forms of education, grows out of constitutional guarantees in addition to those contained in the First Amendment. Non-religious as well as religious parents have the right to choose from the full range of educational alternatives for their children.

The court ordered the school authorities to review the family's application. Testimony revealed that some committee members had not read it at all. Judge Greaney reminded them that the "parents' constitutional right to decide how their own child shall be educated places reasonable limitations on...and thus circumscribes the discretion of the local authorities." Parents have the right to full due process of law in school committee hearings, the judge held, including the right to prior notice of meetings, the right to call witnesses, the right to representation by counsel, and the right to a "neutral and detached" hearing body.

The court ruled that independent learning programs need not have "congruent equivalency" with public schools and that the state has no power to force its socialization plans on families:

The question here is... not whether the socialization provided in the school is beneficial to a child, but rather, who should make that decision for any particular child.... Under our system, the parents must be allowed to decide whether public school education, including its socialization aspects, is desirable or undesirable for their children.

Although a superior court decision does not constitute a binding, statewide precedent, the Massachusetts Department of Education issued a memorandum to all school committees and superintendents stating that "the Perchemlides decision is the most thorough and well reasoned decision on this issue to date" and that "it offers substantial guidance for school officials as well as parents."

The Perchemlideses are not alone in their attempt to remove their child from the school system. There is a growing movement of parents to educate their children independently of the traditional school setting—referred to as "home schooling," "deschooling," or "unschooling." To chart the variations and strength of the movement, I talked to some of the people—parents and educators, lawyers and researchers, legislators and activists—who are part of it all across the country.

There is remarkable diversity in the composition of the deschooling movement. Larry Arnoldsen, professor of education at Brigham Young University, has been serving as an educational consultant to home-schooling families for several years. The first deschoolers, he told me, were "dropouts from contemporary society—hippies, yippies, that sort of thing." Today, the ranks include well-educated middle- and upper-class families—"lawyers, business executives, and even university professors of education"—and they come from the political right and the political left.

Many home schoolers are fundamentalist Christians who oppose their children's inculcation in the values of secular humanism. Others believe that there is nothing remotely humanistic about schools that resort to corporal punishment and operant conditioning to manipulate students. Some families object to the teaching of evolution or sex education, while others may object because these are *not* taught. Unschoolers may be self-sufficiency advocates who believe that schools promote materialism and patterns of mass consumption, or they may oppose what they see as a destructively competitive school environment that relies on fear of failure to motivate students.

In 1981 Gunnar Gustavsen of Andrews University in Michigan surveyed 221 home school operators. The most common reasons given by these parents for

Learning Laws

Compulsory school attendance statutes have not been as much a problem for those wanting to unschool their children as the interpretation and enforcement of those laws have been. Whether or not to approve a home-education plan or to bring criminal charges against unschoolers is usually up to the local school boards. Pat Montgomery, executive director of the National Coalition of Alternative Community Schools, describes the ambiguous status of home schooling: "It is legal in thirty-three states, but it is written so broadly that every time you turn around the administrators have a new interpretation. In Michigan, we have had five changes in interpretation in two years by the administration. We are now on our sixth interpretation."

Opinions issued by state authorities may affect the enforcement of compulsory schooling laws, as will the conditions of the local courts and prosecutor's office. In 1980, for example, one North Carolina district attorney dropped more than 3,000 truancy cases because prosecution of serious crimes had taken all available docket space.

The following table provides a summary of the legal status of home schooling throughout the country. For specific details and further reference, the state's code or statute is given in parentheses. The Hewitt Research Foundation provided most of this information. Supplemental information was obtained from Theodore Wade, Jr.'s book, *School at Home*, and from John Holt's newsletter, *Growing Without Schooling*.

ALABAMA: *Home schooling permitted by a certified teacher; religious exemption available (16-28-3, 16-28-5)*

ALASKA: *Home schooling permitted; entrance age, 7 (14.3010, 14.3011)*

ARIZONA: *Home schooling permitted by statute; entrance age, 8 (15-321, 15-802)*

ARKANSAS: *Home schooling not permitted; home may be registered as a private or parochial school; entrance age, 7 (169-150, 169-151)*

CALIFORNIA: *Home schooling permitted by a certified teacher; home may be registered as an unregulated private school; entrance age, 6 (48200, 48222, 48224)*

COLORADO: *Home schooling permitted; entrance age, 7 (22-33-104)*

CONNECTICUT: *Home schooling permitted; entrance age, 8 (10-184)*

DELAWARE: *Home schooling permitted; entrance age, 6 (Title 14, Sec. 2703 [1981])*

DISTRICT OF COLUMBIA: *Home schooling permitted; entrance age, 6 (31-401 [1981])*

FLORIDA: *Home schooling permitted by a certified teacher; entrance age, 6 (232.01-232.02)*

GEORGIA: *Home schooling permitted; home may be registered as a private school; entrance age, 7 (32-21)*

HAWAII: *Home schooling permitted; entrance age, 7 (298-9)*

IDAHO: *Home schooling permitted; entrance age, 7 (33-202, 33-118, 33-1201)*

ILLINOIS: *Home schooling not permitted; home may be registered as a private school as the result of a court case; entrance age, 7 (Chapter 122, Section 26-1)*

INDIANA: *Home schooling permitted; entrance age, 7 (20-8, 1-3-1)*

IOWA: *Home schooling permitted by a certified teacher; entrance age, 7 (299.1, 299.4 [1981])*

KANSAS: *Home schooling not permitted; home may be registered as a private school; entrance age, 7 (72-1111)*

KENTUCKY: *Home schooling not permitted; entrance age, 6; home may be registered as a private school as a result of court cases (159.010)*

LOUISIANA: *Home schooling permitted; entrance age, 7 (17:236 [supp. 1981])*

MAINE: *Home schooling permitted; entrance age, 7 (Title 20, Sec. 911)*

MARYLAND: *Home schooling permitted under limited conditions; private schools have minimal regulations; entrance age, 6 (7-301)*

MASSACHUSETTS: *Home schooling permitted by court decision; entrance age, 6 (76, 1)*

MICHIGAN: *Home schooling permitted by certified teacher; entrance age, 6 (340.731)*

MINNESOTA: *Home schooling not permitted; entrance age, 7; home may be registered as a private school (120.10 [West cum. supp. 1981])*

MISSISSIPPI: *Home schooling permitted; entrance age, 7 (37-13-92 [1981 cum. supp.])*

MISSOURI: *Home schooling permitted; entrance age, 7 (167.031)*

MONTANA: *Home schooling permitted; entrance age, 7 (20-5-102, 20-7-116, 20-10-121)*

NEBRASKA: *Home schooling not permitted; entrance age, 7; home may be considered a private school (97-201)*

removing their children from public school were "concern for the moral health and character development of their children," rivalry and ridicule and violence in conventional schools, and the poor quality of public education. They believe that their children will be "better prepared for life than children who attend conventional schools," according to Gustavsen.

On standard psychographic measures, he found that these unschoolers tended to be individualistic and law-abiding. They were "opposed to excessive government involvement in education" and "dissatisfied with available options in contemporary education."

Though the early experiences of deschoolers were isolated and unorchestrated—and often carried on in defiance of the law—a broad deschooling movement is gaining momentum largely because the diverse factions have been able to cooperate in their efforts to promote and legitimize independent schooling. One certain indication of this is the emergence of an extensive self-help network.

The National Coalition of Alternative Community Schools is one example. It provides members—individuals and schools dedicated to freedom of choice in education, nearly half of which are engaged in home-school programs—with academic counseling and information about state laws and court decisions. Pat Montgomery is the founder and president of the Ann Arbor, Michigan–based group. She has appeared in court cases in four states to provide expert educational testimony on the behalf of home-schooling families. "Parents are consumers in the school marketplace," she believes, "and have the right, therefore, to control the process of education."

The National Association for Legal Support of Alternative Schools, based in Santa Fe, New Mexico, provides assistance to law firms, individuals, and schools that are fighting restrictive or illegal practices of state regulatory bodies. It is currently assisting in a $300,000 civil-rights suit against school officials in Indiana (*Mazanec* v. *North Judson–San Pierre School District*).

"During the 1981-82 school year, we began receiving letters and phone calls from families who were being harassed, denigrated, and threatened by school officials," Ed Nagel, coordinator of the organization, told me recently. Although cases against 12 Indiana families had been tried and dismissed twice, the school district was still seeking a conviction. Nagel believes that a civil-rights ruling against the district will deter other officials from bringing unjustified court cases against unschooling families. "When the state violates your fundamental rights," he says, "it should be liable for damages."

Another effective link in the home-schooling network is *Growing Without Schooling (GWS)*, a newsletter for unschoolers edited and published by celebrated Boston-based education critic John Holt. The newsletter's circulation has grown to 3,600 since it began in 1977. It provides readers with information about laws in their states, important legal decisions, and how to minimize trouble when dealing with bureaucrats, lawyers, and judges. A directory lists unschoolers who want to contact other unschoolers, as well as friendly lawyers, school districts, professors, and certified teachers who are willing to help or advise families.

Many other organizations have sprung up across the nation (see sidebar, p. 27). Working from a variety of religious and political perspectives, they provide academic, legal, or moral support to deschoolers.

The number of deschooling families is hard to determine. Holt, some years ago, estimated the number to be about 10,000; researcher John Naisbitt, author of *Megatrends*, believes the 1982 figure to be as high as one million. There is no definite figure, however, because many families don't want to be studied or counted. Fearing prosecution and harassment, a large but uncertain number of parents simply *hide* their children in defiance of the law.

Some families, however, like the Perchemlideses, have mounted bold challenges against the schooling bureaucracy. Encouraged by the support of the growing network, unschoolers have won a series of legislative, judicial, social, and moral victories in nearly every state. Through the courts, through their actions, and through research, the home schooling movement is laying bare some critical flaws in the compulsory schooling laws as they have been written and enforced.

In 1978 Robert and Linda Sessions of Decorah, Iowa, were tried and convicted of violating the state's compulsory schooling law. Earlier that year, the couple had applied to the Decorah Community School District for approval of the home-education plan that they had drawn up for their seven-year-old son, Erik. The school board rejected their plan because neither parent was a

state-certified teacher and the board contended that noncertified persons cannot provide an education equivalent to the public school's.

Robert Sessions is an associate professor of philosophy at Luther College, but the position requires no state certification. The family appealed the board's decision to the Iowa State Department of Public Instruction, which also rejected their home-schooling plan. The Sessionses stood firm in their resolve not to subject Erik to public schooling and found themselves convicted criminals.

School officials are aware that most families do not have the financial means to wage a lengthy court battle against a state institution. In spite of economic obstacles, the Sessionses appealed their conviction in district court and won. The ruling, which ended school district harassment of the Sessionses, may make future convictions of unschoolers difficult or impossible under many state laws.

The Sessionses argued that the compulsory schooling law violated their First Amendment rights and that its enforcement denied their right to due process. The court ruled that the couple could not substantiate their claim to First Amendment protection but wholeheartedly supported their claim to a right to due process.

Judge Frank Elwood agreed with their argument that since they were charged with a crime (truancy violation), the burden of proof beyond a reasonable doubt lay with the state. The state, he concurred, would have to show that their son was not receiving "equivalent instruction by a certified teacher elsewhere." Finding, however, that the state had failed to prove that case, the court concluded "that there is reasonable doubt as to the question of the certified teacher, and that as a consequence the defendants should be acquitted of the criminal charge."

Home schoolers see this as a crucial legal weapon for resisting state schooling laws. Parents charged with the crime of truancy can rely on the legal assumption of innocence, thus forcing the state to prove them guilty, beyond a reasonable doubt, of failing to educate their children adequately.

The educational establishment would maintain that this is a simple proposition. Most home schools "don't measure up to accepted standards," says Terry Herndon, executive director of the National Education Association, a teachers' union. In an exchange with Herndon printed in the *Family Weekly* newspaper supplement, Raymond Moore, a developmental psychologist and home-schooling advocate, charged that the NEA has never produced any evidence in support of this claim.

I tried several times to contact Herndon at the NEA to see what evidence he had to substantiate his charge about home schooling. Herndon did not return my calls, but Jean O'Neil of the executive office staff submitted my query to the NEA's research and instructional departments. The NEA, O'Neil reported to me later, has "apparently nothing" on this—neither department could provide any evidence in support of Herndon's claim.

All the states have compulsory schooling laws of some type. Although they vary greatly, they generally mandate that all children of specified ages attend a public school or an equivalent private school or otherwise obtain equivalent education. As in Iowa, where Robert and Linda Sessions were prosecuted, many state education authorities have long interpreted "equivalent education" to mean instruction by a state-certified teacher. In other states, certification is a statutory requirement, and school authorities have tried to use it to prevent home schooling.

State certification requires completion of a state-approved teacher training program, but deschooling advocates contend that such training is largely irrelevant to the highly personalized, one-to-one setting of home learning. Public school teachers, they claim, are trained not so much to teach as to measure, classify, and control large groups of students. As evidence, home schoolers frequently note that private schools rarely require state certification of their teachers, yet their students generally score higher on achievement tests than do public school students, who must be taught by state-certified teachers.

A recent study of more than 1,000 high schools nationwide, sponsored by the Department of Education and entitled *Public and Private Schools*, supports this claim. The results of the 1981 study, authored by University of Chicago sociologist James Coleman, have been widely discussed. As Coleman summarized them, writing last year in the journal *Society*: "When family background factors that predict achievement are controlled, students in both Catholic and other private schools are shown to achieve at a higher level than students in public schools."

Court decisions in other states besides Iowa are also undercutting the attempt to equate "equivalent education" and state

NEVADA: *Home schooling permitted; entrance age, 7 (392.040, 392.070)*

NEW HAMPSHIRE: *Home schooling not permitted; entrance age, 7 (193.1)*

NEW JERSEY: *Home schooling permitted; entrance age, 6 (18A:38-25)*

NEW MEXICO: *Home schooling permitted; entrance age, 6 (22-12-2 [supp. 1981])*

NEW YORK: *Home schooling permitted; entrance age, 6 (N. Y. Education Law 3204.2)*

NORTH CAROLINA: *Home schooling not permitted; home may be registered as a private school; entrance age, 7 (115-378 [cum. supp. 1981])*

NORTH DAKOTA: *Home schooling not permitted; home may be registered as a private school if it has a certified teacher; entrance age, 7 (15-34)*

OHIO: *Home schooling permitted; entrance age, 6 (3321.01, 3321.04)*

OKLAHOMA: *Home schooling permitted; some home schools operate as private schools; entrance age, 7 (181)*

OREGON: *Home schooling permitted; entrance age, 7 (339.010, 339.030)*

PENNSYLVANIA: *Home schooling permitted; entrance age, 8 (Title 24, Sec. 13-1327)*

RHODE ISLAND: *Home schooling permitted; entrance age, 8 (16-19-1)*

SOUTH CAROLINA: *Home schooling permitted; entrance age, 7 (59-65-10, 59-65-40)*

SOUTH DAKOTA: *Home schooling permitted; entrance age, 7 (13-27-3)*

TENNESSEE: *Home schooling not permitted; home may be incorporated as a school; entrance age, 7 (49-1708, 49-1710)*

TEXAS: *Home schooling not permitted; home may be incorporated as a private school; entrance age, 7 (Title 2, Sec. 2, 21-032; 21-033)*

UTAH: *Home schooling permitted; entrance age, 6 (53-24-1)*

VERMONT: *Home schooling permitted; entrance age, 7 (Title 16, Sec. 1121)*

VIRGINIA: *Home schooling permitted by certified teacher; no requirement for school accreditation or teacher certification in private schools; entrance age, 5 (22-275-1, 22-275-3)*

WASHINGTON: *Home schooling permitted by certified teacher; entrance age, 8 (28A 27.010)*

WEST VIRGINIA: *Home schooling permitted; entrance age, 7 (18-8-1)*

WISCONSIN: *Home schooling permitted; entrance age, 7 (118-5)*

WYOMING: *Home schooling not permitted; entrance age, 7 (21-4-102)*

certification of teachers. The Kentucky Supreme Court ruled in 1978: "It cannot be said as an absolute that a teacher in a non-public school who is not certified... will be unable to instruct children to become intelligent citizens." In a Michigan home-schooling case, the district court judge found in 1979 that "the state...has failed to produce any evidence whatsoever on the interests served by the requirements of teacher certification and the defendants' experts to the contrary demonstrated that there is no rational basis for such requirements." Courts in Minnesota and Missouri have rendered similar decisions. Educational equivalency, some courts are now saying, is measured by the quality of education received by the child, not by the home having teachers equivalent to the public schools'.

Official opposition to home schooling rests on more than the issue of teacher certification, however. Advocates of public or other formal schooling claim that no home or parents can hope to match the kinds of educational resources available in a school. With the flowering of home computers, this may soon be a moot point—*Business Week* reported in January that one of the fastest-growing areas in new-software development for home computers is educational programs.

Unschoolers, in any case, point to evidence that the larger the school, the less the opportunity for a child to obtain a genuine and meaningful education, because a teacher with a classroom of 20 children can give any one child only a fraction of the attention he would likely receive at home. Studies conducted by the Hewitt Research Foundation show that the number of meaningful adult-child responses in the home can amount to hundreds per day. An assertive child in school may have up to four daily adult-child responses, and many less-assertive children, the studies reveal, simply "slip through the cracks" of the factory-like school and have few if any meaningful experiences.

Raymond Moore, a distinguished developmental psychologist, is president of Hewitt Research and served as the director of a 10-year multidisciplinary analysis of influences on early learning. He has concluded that in most children the senses of sight and hearing are not physically mature for formal study until the ages of 8 or 9. Moreover, children are not cognitively mature enough for formal study until they can reason consistently—usually not before ages 8-12. (Boys usually trail girls by about a year.)

As the structure of the brain grows, says Moore, its function increases, and taxing a child's brain before it is ready causes confusion of brain signals. Children who are forced into formal schooling at the age of 6 may thus be labeled as "learning disabled" by the very schools that damaged them. "It is conceivable," Moore told me in an interview, "that we are paying our money for state 'services' that endanger our children, then paying it again for state attempts at their remedy."

Lack of socialization with other children is another argument frequently advanced against unschooling families—as in the Amherst School Committee case against the Perchemlides family. Hewitt Research studies suggest, though, that forced, random associations can be damaging to children who have not reached a certain level of maturity. A child who is put into an institutional setting before he has an understanding of his own values will lock into the value systems of his age mates. Spending more time with his peers than with his family, he becomes "peer-dependent," adopting the habits, mannerisms, and language of those around him. Peer-dependent children, the Hewitt studies indicates, often experience a loss of self-worth, pessimism toward their families and their future, alienation, and anxiety, and they frequently resort to violence, while children who learn at home in a consistent, single-value track do not become peer-dependent and develop more stable, independent thinking.

Ultimately, many proponents of compulsory, government-regulated schooling advance the "melting pot" theory of public education: the state has a legitimate interest in instilling in citizens common values and a common fund of knowledge to prevent a fragmented society, they argue. In Jeffersonian terms, the continued existence of a democratic society depends on an educated citizenry, because only a literate populace can make informed political judgments.

There is no evidence, however, for the proposition that we would be a nation of illiterates without compulsory school attendance. Educational historian Samuel Blumenfeld has concluded as a result of his research that "prior to the introduction of compulsory public education, Americans were probably the most literate people in the world." In an article in REASON in March 1979, Blumenfeld pointed out that in the early 1800s in Boston, for example, 93 percent of the school-age children attended school (two-thirds of them private schools)—*before* universal taxpayer-supported education and compulsory school attendance had been instituted.

For their part, deschooling advocates cite an impressive list of individuals who have had little or no formal schooling. Thomas Edison was expelled from school at age 10. A school teacher told his mother that Thomas was "addled." Edison attributed his success to the instruction and encouragement given him by his mother. John Quincy Adams never attended school until he entered Harvard at the age of 14. Abraham Lincoln, Franklin D. Roosevelt, Winston Churchill, John Stuart Mill, Mark Twain, Andrew Carnegie, and the Wright brothers spent much or all of their early lives without formal schooling.

Critics of the public school system argue that it has in fact ignored, and not furthered, the true interests of individuals, that the uniformity of public education that is cited in its defense is based on the pretense that ours is a homogeneous society. It is precisely compulsory state schooling, they contend, that makes a truly free and democratic society unlikely; for state schools, in this and other nations, emphasize conformity and from an early age narrow the expectations and awareness of alternatives among citizens.

The courts have long upheld the position that the government has an important interest in regulating the education of school-age children and that the right to enforce compulsory attendance is included in the police powers delegated to the states. The Supreme Court, however, in several landmark cases—among them *Pierce* v. *Society of Sisters* (1925) and *Farrington* v. *Tokushige* (1927)—has held that the state may not foreclose the right of parents to choose educational alternatives that meet legitimate academic standards and that parents have a right to provide education for their children that is consistent with their beliefs.

Steve and Pam Robinson and their four children live on the edge of the vast Escalante Desert in southwestern Utah, near the rural farming community of Newcastle. They moved there seven years ago because Steve likes farming. They told me that they have not sent their children to school in more than five years. Even though they do not believe in the concept of a god, they are asserting a First Amendment right to teach their children

at home.

The Robinsons are members of the Church of Individual Responsibility, a nontheistic church in Salt Lake City. They affiliated their home education program with the church after the office of the Utah attorney general informed them that Utah, like many other states, exercises the least control over parochial schools.

When they informed the county school board of their decision to teach their children at home, however, Steve told me that "the school principal called and said that they could throw me in jail but wouldn't, 'just to be nice.' " Pam and Steve then made clear that they had a strong legal basis for their decision. They have not been bothered since.

The Robinsons became interested in deschooling after reading the book *Summerhill.* Pam told me that their libertarian political philosophy gave them the "courage" to remove their children from public school, because "it helped us to know that we were right and why."

Pam said that she had taught their oldest son, Jared, to read when he was in kindergarten and that he had read *Little House on the Prairie* before he finished the first grade. But under the careful instruction of the public school, she said, Jared had regressed to picture books by the second grade.

The Robinsons were dissatisfied not only with the quality of education at the public school but with its moral curriculum. "The teachers were very involved in teaching their own version of morality," said Pam. "Sharing was a common theme. I am much more concerned with my kids learning about private property. I want them to understand that you have to produce something in order to get something. The spiritual development of my kids is none of their business."

The Robinsons are among a growing group of "conscientious objectors" to compulsory government schooling who insist on the right to educate their children in accordance with their own beliefs. Many in this group are fundamentalist Christians, and others, like the Robinsons, have nontraditional religious or philosophical convictions. They are developing—and often sharing, through the home-schooling network—various educational and legal tactics for opposing the state educational bureaucracy.

These parents accept the argument, advanced recently by Theodore Wade, Jr., a professor of education at Weimar College in California, before a meeting of home schoolers, that "parents are ultimately and continuously responsible for their children's education no matter where they may be going to school." An important part of this responsibility is to transmit moral values to their children, argues Wade, but public schools are necessarily amoral because they must serve families with conflicting moral values. Wade consequently urges parents to assume the obligation to provide for their children's education themselves.

Weimar College, with which Wade is affiliated, is operated by a board of lay members of the Seventh Day Adventist Church. The college conducts training seminars for parents of a wide range of religious and philosophical affiliations to inform them about ways to keep their children out of the public school system and to provide them with the educational means to do so.

Many unschoolers are convinced that a First Amendment defense based on personal convictions is the strongest argument against the state. If a family has sincerely held beliefs that conflict with state requirements or with the practices in government-run schools, the state must demonstrate a "compelling interest" to enforce the law against those beliefs, they maintain. Depending on the statute in question, unschoolers claim sincere beliefs to gain exemption from compulsory school attendance or to register their home as a parochial school.

Michael Smith and his wife, Elizabeth, are unschoolers in Santa Monica, California. Michael is an attorney who has become involved in advising other families about dealing with school authorities. They "must go on the offensive right away," he emphasized in an interview. He counsels unschoolers to insist on a jury trial if court cannot be avoided and it appears that the judge and prosecutor are working together. The next step he recommends is to "put the prosecutor on trial" by forcing him to attack the religious convictions of the family before the jury. Prosecutors are often reluctant to pursue cases like this; but once a school district has filed an official complaint, they usually must act on it.

In California, said Smith, no unschooler has been convicted of violating compulsory attendance laws for many years. Although the state has prohibitively strict regulation of home schooling per se, California parents can gain exemption from the compulsory attendance laws by registering as a private school, which requires only that they file a one-page Private School Affidavit with the county office of education.

Help For Home Schoolers

The home-schooling movement is not a single, unified entity but an array of individuals and organizations with interspersed connections and affiliations. The following list of resources for those interested in home schooling is representative of the wide variety of viewpoints among home schoolers. It is not meant to be an exhaustive list of all home-schooling resources but to provide a starting point for those who may wish to learn more about the rights of home schoolers, what they do, and how they do it.

ORGANIZATIONS

CITIZENS FOR EDUCATIONAL FREEDOM
Washington Bldg., Suite 854, 15th and New York Sts., N.W., Washington, DC 20005

Provides educational and legal information and legal support

COUNCIL FOR EDUCATIONAL FREEDOM IN AMERICA
2105 Wintergren Ave., Forestville, MD 20747

Provides information on educational freedom

EDUCATIONAL FREEDOM FOUNDATION
20 Parkland, Glendale, St. Louis, MO 63122

Provides legal information and support

HEWITT RESEARCH FOUNDATION
Box 9, Washougal, WA 98671

Provides educational and legal research data

HOLT, ASSOCIATES, INC.
729 Boylston St., Boston, MA 02116

Publishes GROWING WITHOUT SCHOOLING newsletter; provides networking services and educational and legal information

HOME EDUCATION RESOURCES CENTER
337 Downs St., Ridgewood, NJ 07450

Provides educational and legal information

INDEPENDENT FAMILY SCHOOLS RESOURCE CENTER
R.D. 1, Box 95, Smyrna, NY 13464

Assists in developing home-school program; provides legal assistance and information

NATIONAL ASSOCIATION FOR LEGAL SUPPORT OF ALTERNATIVE SCHOOLS
P.O. Box 2823, Santa Fe, NM 87501

A legal and educational resource center; provides satellite-school program through the Santa Fe Community School

NATIONAL COALITION OF ALTERNATIVE COMMUNITY SCHOOLS
1289 Jewett St., Ann Arbor, MI 48104

An educational and legal resource center; provides satellite-school program through the Clonlara School; publishes a national directory of alternative programs; offers networking service

PARENTS' RIGHTS INC., 12571 Northwinds Dr., St. Louis, MO 63141

Provides educational and legal research and information; offers legal support

BOOKS

JOHN HOLT:
Teach Your Own, *Delacorte Press*

RAYMOND AND DOROTHY MOORE:
Home Grown Kids, *Word Books*
Better Late Than Early, *Reader's Digest Press*
School Can Wait, *Brigham Young University Press*
Home-spun Schools, *Word Books*

THEODORE WADE, JR.:
School at Home, *Gazelle Publications*

PROGRAMS

A BEKA, *125 St. John Street, Pensacola, FL 32503*

ACCELERATED CHRISTIAN EDUCATION, *P.O. Box 1438, Lewisville, TX 75067*

ALPHA OMEGA, *Box 3153, Tempe, AZ 85281*

AMERICAN SCHOOL, *850 East 58th Street, Chicago, IL 60637*

CALVERT INSTITUTE, *105 Tuscany Road, Baltimore, MD 21210*

CHRISTIAN LIBERTY ACADEMY, *203 E. McDonald, Prospect Heights, IL 60070*

CLONLARA SCHOOL HOME BASED EDUCATION PROGRAM, *1289 Jewett St., Ann Arbor, MI 48104*

HOME STUDY INSTITUTE, *6940 Carroll Avenue, Takoma Pk., MD 20012.*

MARIN COMMUNITY RESOURCE CENTER, *Camino Alto and Sycamore, Mill Valley, CA 94941*

SANTA FE COMMUNITY SCHOOL, *P.O. Box 2241, Santa Fe, NM 87501*

WEIMAR COLLEGE HOME SCHOOL DIVISION, *Box A, Weimar, CA 94736*

Like many other states, California places few or no statutory requirements on private or parochial schools. This is often true of states that virtually prohibit home schooling via strict regulations. Despite the arguments of school bureaucrats to the contrary, courts have generally held that in the absence of legislative standards, it is to be assumed that the legislature intended the matter to be free of regulation. "There's a soft belly to the law when it allows children to be kept home in this way," charged Bob Bennett of California's Department of Education in a 1981 interview with a *Sacramento Bee* reporter.

Most education officials in the state believe there's nothing they can do about what they see as a lamentable situation, but in several counties, authorities are making life difficult for home schoolers. The Los Angeles County School District, for example, has taken the position that "any home-schooling situation is a tutoring situation," which is strictly regulated by the state. Tutors must be state-certified teachers for the appropriate grade level of the child, and even if so certified, parents cannot teach their own children, according to the district.

"They will do anything to intimidate you," Betty Gerbozy, director of Weimar College's Home School Division, warned parents at a recent seminar. "They will tell you untruths if they think they can scare you." Gerbozy says that the Los Angeles district has been harassing home schoolers by sending fire and health code inspectors to their homes and claiming that the homes must meet the standards for institutions. And some parents report that the district will not send them the Private School Affidavit form. Claiming that the district's motivation is economic (schools get their funding on the basis of average daily attendance), Gerbozy warned the home schoolers at the seminar, "You are a threat to those teachers."

Partly in response to such tactics, there has evolved a new deschooling phenomenon—"satellite schools." In the fall of 1982, California saw the establishment of a private school whose purpose is to register home-schooled students, as well as distribute educational materials to their parents.

Some satellite school programs are primarily intended as educational aids. Parents who feel that they need direction in their home-schooling efforts can affiliate with a school or college that provides a base program. Parents become supervisors working under its advisement. Weimar College, for example, offers parents throughout the country the option of making their home a satellite school. For an annual fee, it provides curriculum materials and achievement tests and maintains students' records. Other alternative and fundamentalist schools offer a similar program, and many are willing to provide families with legal support if they are challenged by authorities.

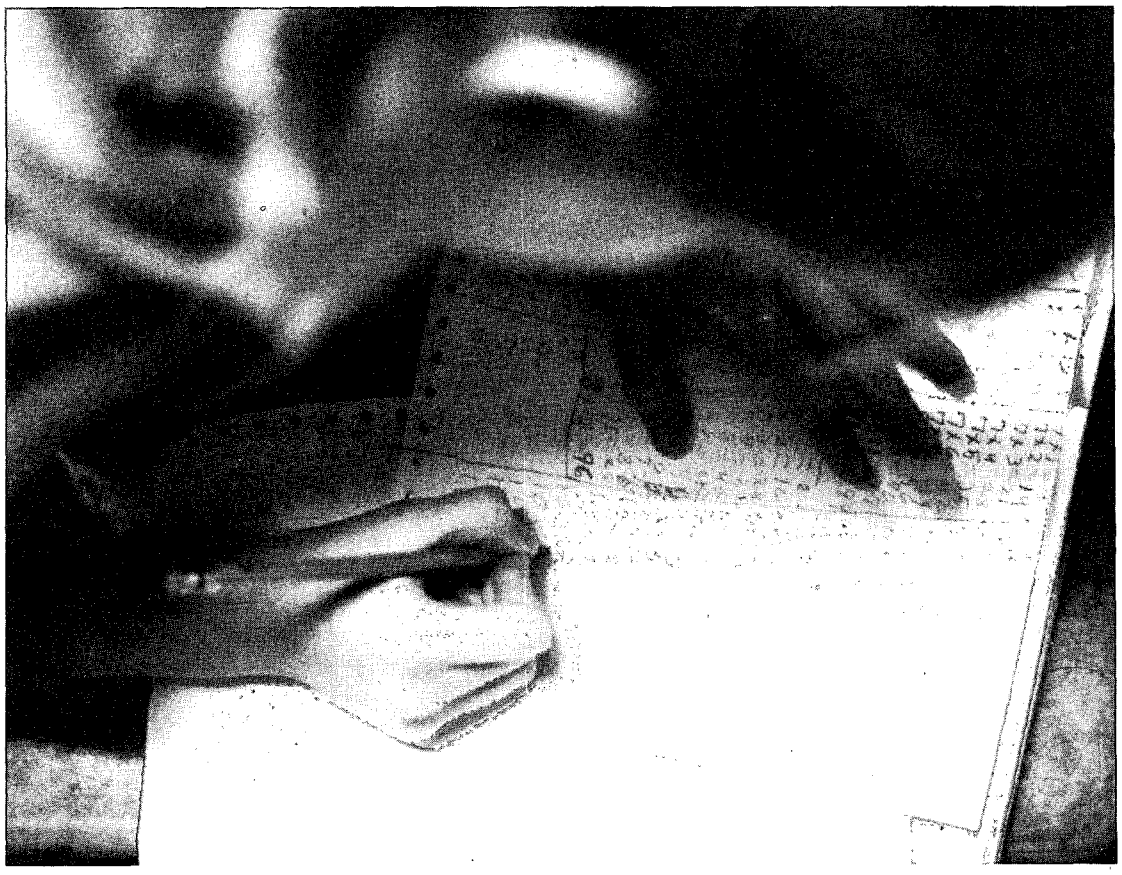
In some areas of the country, especially in the very rural locations where transportation costs are high, home schooling is actually encouraged by officials. Some school districts permit parents to enroll their children in a home-study program established by the district. Many are familiar with and will accept packages offered by correspondence schools and satellite school programs. And in some areas, parents are free to develop their own independent education plans.

In 1980 the Louisiana state legislature passed a bill that deregulated all non-public education in that state. The bill's author, State Representative Woody Jenkins, believes that "no one should be able to dictate how a child will be educated." Prior to deregulation, home schooling had been prohibited by statute, as it is in several other states, and obtaining certification as a private school had been difficult.

Jenkins originated the bill when Louisiana school officials began criminal proceedings against a local couple who were educating their four children in their home-based Christian Academy. A broad coalition of liberals and conservatives came together in support of the deregulation, says Jenkins. They "agreed to disagree on many issues, but they all accept that parents have the primary right and responsibility to educate and care for their children in the manner they deem fit."

In the 1981-82 school year, 244 home schools were set up in the state. Noting that the home-schooling movement was spreading to North Carolina, Montana, and Arizona, Jenkins predicted in an interview in 1982 that "if we can survive for the next five or six years, we are growing so widespread that it will be impossible to change."

The educational establishment, however, does not give up easily. In response to an Associated Press story at the beginning of the 1982-83 school year, which charged that doubt on home schools had developed in Louisiana and noted that only 30 families had reapplied for another year of home schooling, I interviewed Jenkins again in early 1983. The reason many home schoolers had



not reapplied, he explained, is that the state board of education had instituted new reporting requirements. Many parents were unwilling to supply all the required information and instead set up private schools in their homes or "are outright disobeying the requirements," he said.

Obtaining state approval of a home-study program requires filling out a six-page form and verifying that home study will provide a "sustained curriculum," Jenkins noted, whereas parents can set up a private school in their home simply by notifying the state board and saying how many students attend the school. Jenkins estimates that there are currently about 1,000 students in home-schooling situations in the state—either in home-study programs approved by the state, in home-based private schools, or in home-study correspondence programs.

In 1981 the American Civil Liberties Union issued a statement encouraging other states to join in the deregulation of learning. Citing "the parental right to choose an educational alternative to public education," the ACLU urged that provisions like Louisiana's "be extended to all jurisdictions because the state's interest in assuring minimal levels of education does not extend to control of the means by which that interest is realized."

"Patty and Larry Davis" (not their real names), a couple in their mid-30s, live in a small farming community in the Midwest. Without informing the authorities, they are keeping their eight-year-old daughter out of school.

"I wouldn't lock my daughter in a classroom for eight hours a day," Patty told me when I spoke with the couple last summer at a home-schooling seminar. "She needs the freedom to become herself."

The Davises have not begun any formal teaching with their daughter. She taught herself to read and learned how to make change, said Patty, while helping with a family-operated health food store. "She is starting to learn and become really expressive. We don't want to turn her over to the state now that she is becoming a very exciting person to be with."

Recently, the Davises told me, a friendly, local elementary school teacher tested their daughter using the same achievement tests given in the local schools. She scored two years above her grade level in spelling and math and five years above her grade level in reading. The Davises keep her at home during the day so as not to be discovered, and they believe that if they can continue to hide her from the authorities she will have a more "balanced" education—including "carpentry, the use of tools, and other things girls are not often taught in school."

Refusing to notify the local school board for fear of being turned down and hiding their daughter from the authorities, the Davises are part of the covert, unschooling underground. But with a growing and active resistance movement against compulsory government education, and with more and more parents and organizations willing to stand up to the state and press their case in the courts if necessary, it seems likely that the Davises are not the wave of the future for home schooling. To a remarkable extent in the last few years, home schooling has come up from the underground. ◻

Gerald King teaches science at an alternative high school in Albuquerque, New Mexico. This article is a joint project of the Sabre Fund and the Reason Foundation Investigative Journalism Fund.

SHALT THOU BEAR FACELESS WITNESS?

Crime Stoppers programs work, but they raise some troubling issues.

BY TED GALEN CARPENTER

The figures are harrowing: a robbery every 55 seconds, an aggravated assault every 49 seconds, a murder every 24 minutes. Those are the rates at which violent and property crimes occur in this country. Of every 100,000 inhabitants, 10 are murdered each year. If you live in Miami or St. Louis, the rate is nearly six times that; in Detroit and Atlanta, four times the national average; in Los Angeles and Dallas, three times the national rate. In response to these circumstances, an alarmed American populace is frantically searching for effective countermeasures to restore an atmosphere of security.

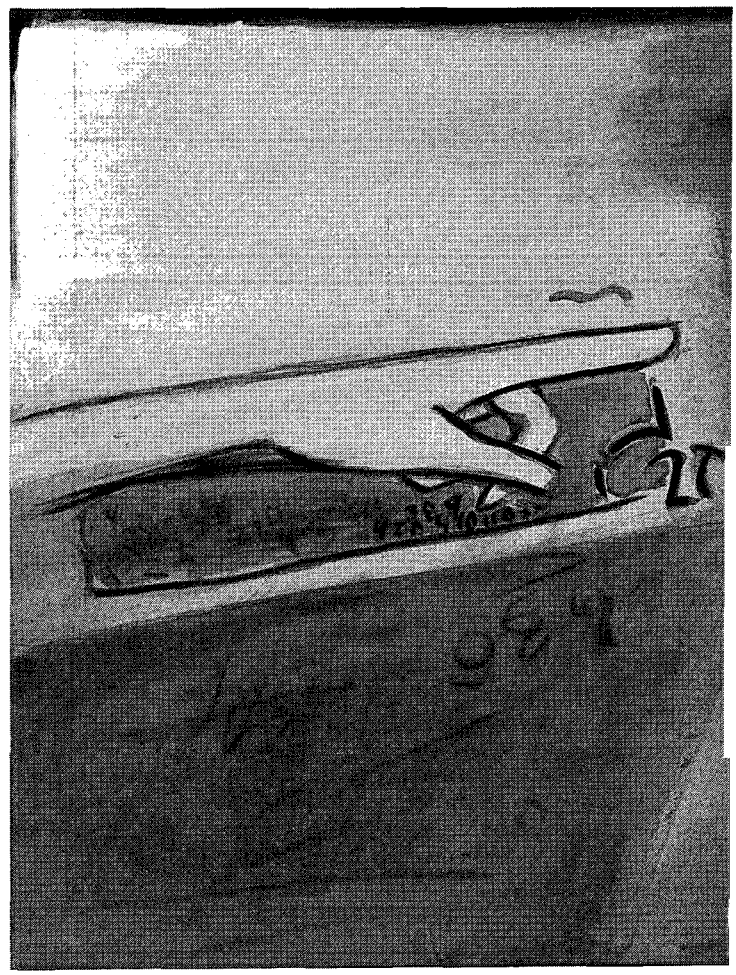
Many of the more innovative anticrime measures possess one common theme—maximizing citizen participation. In that vein, local police departments have established programs, such as "Operation Identification," wherein residents are urged to mark their household belongings with personal identification numbers, theoretically rendering the disposition of stolen merchandise more difficult. Law-enforcement agencies similarly promote "neighborhood alert" organizations, which encourage community members to watch for and report suspicious activities. But the effort that has attracted the most attention and praise is the "Crime Stoppers" program.

The rationale for this program is straightforward. Local newspapers and radio and television stations publicize selected unsolved felonies, and substantial cash rewards are offered for information leading to the arrest and indictment of perpetrators. Proponents argue that the combination of publicity and financial inducements encourages an inflow of valuable tips from both ordinary citizens and criminal "snitches." Community leaders as well as the police praise the Crime Stoppers program, saying that it dramatically increases the arrest and conviction rate.

Much of the enthusiasm is warranted. For example, the Austin, Texas, operation, instituted in 1979, produced nearly 300 arrests and recovered more than $800,000 in stolen property during its first three years. Those results were achieved for less than $45,000 paid out in rewards. Granted, Austin's program was especially effective (the record in other cities was more modest), and many of the crimes solved through Crime Stoppers might have been broken eventually by other means, but those statistics still represent impressive results. For a crime-weary citizenry, such evidence of competence elicits enthusiastic, even uncritical, support.

Indeed, it is difficult to find opponents of the Crime Stoppers concept. Establishment groups, such as the Chamber of Commerce, embrace the program with special fervor and use their public-relations apparatus to promote it. Local news representatives, which one might expect to view the operation with professional detachment, instead typically become active participants. Television stations eagerly "reenact" selected crimes for their viewers each week as a "community service." It is hardly coincidental that these telecasts predominantly feature sensational or titillating felonies (rapes or attempted rapes of young, attractive females are especially popular). Crime Stoppers officials openly solicit media cooperation by suggesting that crime reenactments provide an excellent vehicle for increasing viewership.

Crime Stoppers is a superb idea, nearly everyone agrees—an effective tactic in what is otherwise often a losing struggle against urban crime. While this enthusiasm is understandable, there are troublesome doubts about the program's impact on basic civil liberties. Such doubts surfaced in a graphic manner with respect to the highly regarded Austin program, when an innocent man spent several weeks in jail as the direct result of a Crime Stoppers–induced tip. That such a miscarriage of justice could occur in a well-run program should trouble even the most avid Crime Stoppers proponents. More worrisome is that such a "mistake" may be symptomatic of larger defects in the concept itself.



Contrary to the official position, the Crime Stoppers system is designed not so much to encourage the involvement of ordinary citizens as to induce a perpetrator's friends or associates to turn him in for reward money. Again, the procedures

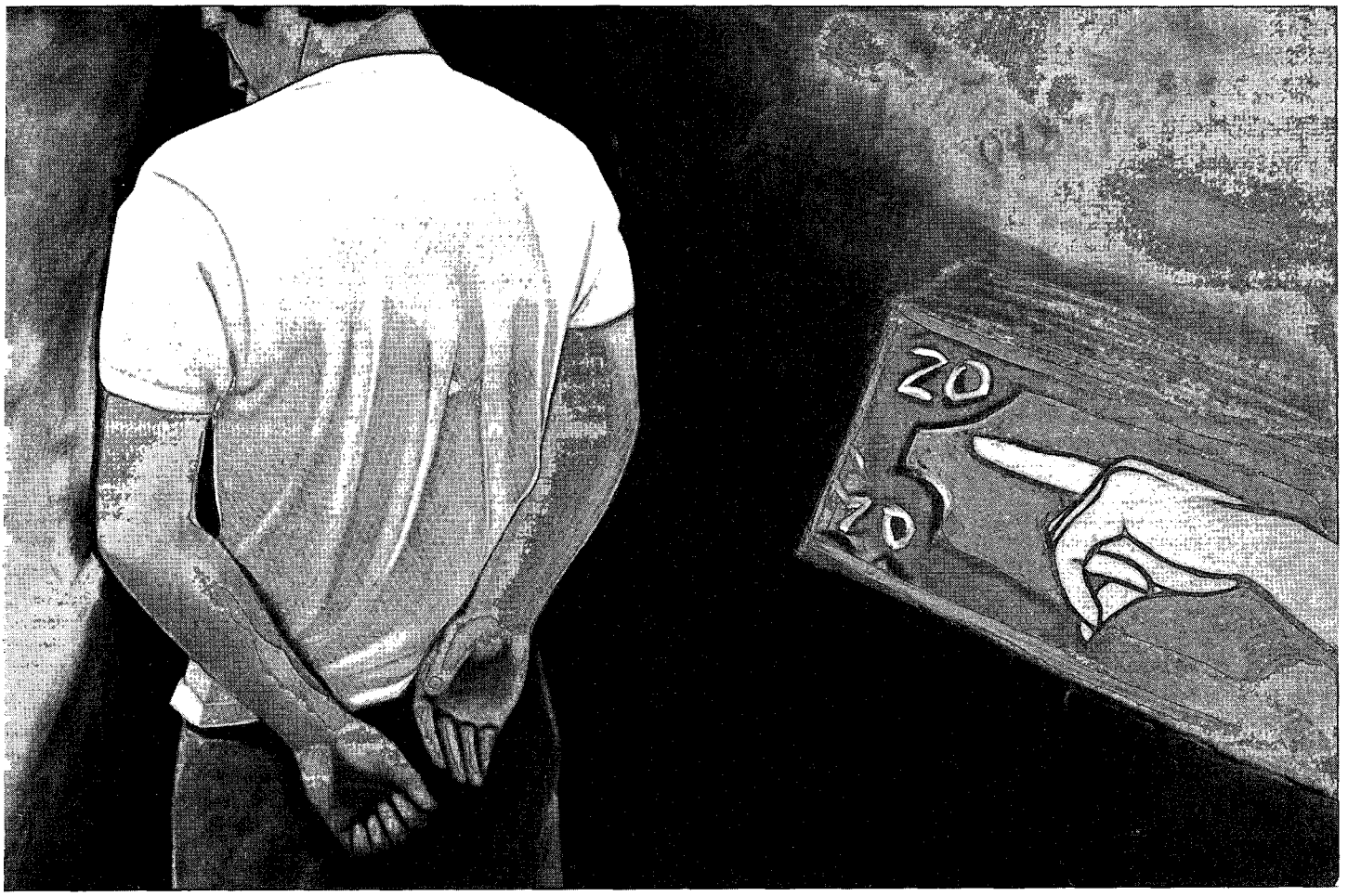
Illustration by Steve Riedell

followed in the Austin program are typical. Individuals are urged to call a special phone number and provide tips on specific felonies. Callers are not pressed to identify themselves in any manner. Instead, each informant is given a special code number and told to "keep in touch." If a caller's tip leads to indictment (not necessarily conviction), a meeting is arranged where a member of the Crime Stoppers board of directors will deliver the reward. Board members are never police officers; they have no knowledge concerning an informant's identity or even for which tip the reward is being paid. Informers are merely shadowy figures with special code numbers. Crime Stoppers rewards these tipsters, no questions asked.

Such procedures should have alarmed civil liberties groups long ago, since the potential for abuse is obvious and distressing. Two aspects of the program virtually invite an erosion of vital civil liberties: the anonymity guaranteed informants and the payment of rewards for indictment rather than conviction. Vanderhule, prime mover of the Austin program, explained the official rationale for the maintenance of confidentiality in an unpublished document submitted to the Austin Police Department in 1979:

All too often citizens do not contact the police with information that could help solve a crime out of fear that if they reveal their own identity they would expose themselves, or their families, to acts of retaliation by the criminal. In most of these instances these citizens will not come forward with information unless they can be absolutely assured that they will be provided complete anonymity by the police. If the police fail to provide this anonymity when it is desired, the result is usually the loss of vital information due to a lack of willingness to cooperate on the part of these citizens.

Vanderhule is undoubtedly correct in his assessment. Many tips also come from individuals whose *own* crime records could not bear serious scrutiny. Such informants are not likely to come forward unless shielded by the cloak of anonymity.



The Sixth Amendment to the Constitution guarantees a person accused of a crime the right to face witnesses against him. Various court decisions already have undermined this procedural protection by exempting undercover police officers and "professional" police informants from the requirement to reveal their identities in cases where they have provided material evidence. Crime Stoppers takes this exclusion a giant stride farther. Now, *anyone* providing information to police under the auspices of that program is guaranteed complete anonymity. Indeed, under a recently enacted state law, it is now impossible in Texas to subpoena Crime Stoppers records, even during the course of a criminal trial.

Proponents of the Crime Stoppers program insist that strict anonymity is imperative for success. Police Sergeant George

This is precisely the aspect of the program, though, that should trouble advocates the most. It is one thing for a would-be informer to make a false accusation knowing that he might face cross-examination in a trial setting and, if his evidence is demonstrably false, a perjury indictment or lawsuit for defamation of character. It is quite another situation when one may make accusations of criminal conduct against a fellow citizen free from any possibility of legal retaliation or even identification. These latter conditions virtually invite slander.

The threat to reputations and civil liberties is not trivial. Police departments must investigate a tip that an individual was involved in a felony, whether or not the information is in fact erroneous. Multiple tips on the same person (which could

happen easily under Crime Stoppers) might well trigger an intensive investigation. Consequently, even a law-abiding citizen may be subjected to police scrutiny because of unfounded accusations by an anonymous informer. An individual's reputation among friends, neighbors, and business associates may be damaged without his even being aware. And if the accused party does find out, he is still legally helpless. The police have been acting in good faith upon information received, and even they don't know who made the accusation.

An additional ingredient in this "witches' brew"—giving rewards for information leading to indictments, not necessarily convictions—escalates the danger to civil liberties. Evidence needed for an indictment is always substantially less than that required for conviction. In some states, district attorneys may prosecute on their own authority, no matter how flimsy the evidence. Other states, such as Texas, have the additional safeguard of mandatory grand jury proceedings, but indictments are still relatively easy to obtain. Knowledgeable prosecutors admit privately, and sometimes even publicly, that skillful district attorneys can manipulate most grand juries in any direction.

While this aspect poses only minimal danger for those citizens who have had no previous encounters with the law, the situation is vastly different for individuals with prior criminal records. Police officials and prosecutors often suspect that such a person might be involved in an unsolved crime, even though the "evidence" might consist of nothing more than a tip from an anonymous informer, combined with, perhaps, the absence of a reliable alibi. Such a suspect's position is extremely vulnerable. If he fights the proceedings and pushes the matter to formal trial, he risks a major felony conviction and a lengthy prison sentence.

Since both judges and juries are typically unsympathetic toward "repeat offenders," attempting to prove one's innocence can be both difficult and risky. It is not far-fetched to picture a defendant in that predicament opting for the less dangerous course of plea bargaining, accepting a much shorter sentence for a guilty plea to a reduced charge. One wonders whether some of the crimes "solved" through Crime Stoppers may have been solved only in the bureaucratic sense—tagging someone, whether guilty or not, with a crime and getting him sentenced.

For one Austin, Texas, man, these theoretical dangers of the Crime Stoppers program became a chilling reality during the early months of 1982. As reported in the May 15, 1982, edition of the *Austin American Statesman*, the man spent nearly seven weeks in jail for allegedly robbing a downtown business. An informant implicated him following a Crime Stoppers dramatization of the incident on a local television station.

As events unfolded, it emerged that the "evidence" consisted of these facts: (1) the suspect's physical description roughly matched that of the robber, (2) he was already on probation for theft (albeit of a very minor nature), and (3) an anonymous Crime Stoppers informant had accused him. Not exactly a strong case, but one that the authorities considered sufficient to imprison him for an extended period.

Even though the accused man repeatedly requested a polygraph test to prove his innocence, the police declined to administer one—until a later incident badly undermined the case they were building. While the suspect was still in jail, a similar robbery took place in another central Texas city. The Austin police finally relented, allowed the suspect to take a polygraph exam, and subsequently urged the district attorney's office to drop all charges.

This case illustrates clearly how an innocent person, especially someone with a previous conviction, can become ensnared in the Crime Stoppers anonymous-informer system. Except for the accusation by an unknown informer, it is unlikely that this suspect would have been arrested and spent weeks behind bars. There is even greater doubt whether that informer would have made the damaging accusation without the protective cloak of anonymity. Most disturbing of all, Crime Stoppers officials admit that at no point during the suspect's long ordeal did the informant even attempt to collect the reward. A question arises whether the tip was an honest error resulting from the suspect's physical resemblance to the actual assailant or whether other motives were involved—perhaps a personal enemy gaining revenge.

At the very least, the Crime Stoppers concept is not the unalloyed benefit its proponents would have us believe. There are serious questions about the fairness and reliability of several crucial components. Furthermore, evidence is emerging that, in some cases, the program is being used to assault individual liberties. Although the Austin organization has confined most of its efforts to the solution of serious crimes, the same cannot be said for other cities. Recently, a San Angelo, Texas, man was arrested for the simple possession (not possession for sale) of marijuana following the search of his home—authorities were acting on a telephone tip to the local Crime Stoppers. Not only was this "criminal" fined and assessed a three-year probated sentence, but the court ordered him to reimburse Crime Stoppers for the reward money spent on his apprehension.

Another disturbing development occurred in 1981, when the Texas legislature passed a bill establishing a statewide version of the Crime Stoppers program. Significantly, one of the bill's principal sponsors was State Senator Walter Mengden, an ultraconservative Republican known to his opponents as "Mad Dog." It is charitable to say that Senator Mengden is rarely among the staunch defenders of civil liberties.

The manner in which the Department of Public Safety (the Texas state police) wanted to use Senator Mengden's proffered weapon against "organized crime" became evident almost immediately. The department produced a television commercial announcing a reward system for tips on "the most serious crime" menacing the Lone Star State. The DPS spokesman was not referring to murder, rape, burglary, or any such offenses—but rather to the crime of drug abuse. Texans should be more than a trifle nervous that an anonymous-informer system is being used to harass citizens whose "crime" is the growing of a marijuana crop.

Various law-and-order groups now openly suggest expanding the Crime Stoppers system to the federal level. This would provide a vast new arena for mischief. One can visualize an elaborate apparatus that rewards and shields informers for providing tips on tax protestors, draft resisters, or any other "subversives."

All this suggests that the Crime Stoppers concept contains serious potential for an erosion of civil liberties. Americans must ask themselves whether *any* system that encourages anonymous, mercenary informers is consistent with the values of a free society—or is the tactic of a totalitarian police state. The Sixth Amendment's guarantee that an accused person has the right to face his accusers is a vital procedural protection. The Crime Stoppers program, by its very nature, poses threats to that basic guarantee. Proponents of the program present a powerful argument in its favor: it works and works effectively. That benefit, however, is achieved at an unacceptable cost. Citizens who value individual liberty will not purchase increased safety at the expense of basic freedoms. ◻

Ted Galen Carpenter is a research associate at the University of Texas. His book, America and NATO: The "Great Debate" of 1950-51, *will be published by the University of Texas Press this year.*

ARABIAN NIGHTMARE

The government is quietly preparing to go to war to save OPEC.

BY JACK D. DOUGLAS

With the brilliant vision of hindsight, it is quite clear that Vietnam has one overriding lesson for American leaders: our democracy cannot successfully wage a major or protracted war that is not firmly supported by most Americans. The Carter-Reagan Doctrine on the Persian Gulf, however, threatens to commit the Vietnam blunder in a more extreme form and with potentially far more dangerous consequences.

The clearest indication of this blunder is that few Americans even know about this doctrine, so they can hardly be firmly committed to it. Yet both administrations have threatened, by this doctrine, to involve us in a far bigger war than Vietnam.

Jimmy Carter firmly pledged the US government to defend the Persian Gulf oil suppliers. He began to develop a hugely expensive Rapid Deployment Force and dispatched military forces, primarily in the form of carrier task forces, to the area to carry out this pledge. He did so without major debate in the news media or in Congress. As a result, the issues were never clarified, the rationales for this extreme commitment were never publicly accepted, and public support was never garnered.

Ronald Reagan first denounced this pledge as "clumsy and ill-advised," because we are far from having the military forces ready to carry it out. But later, in his press conference of October 1, 1981, he declared unequivocally that "there's no way that we could stand by" and let anyone "shut off that oil."

Most important, the Reagan administration has moved quietly but very aggressively to build up US forces for possible use in the Middle East. As Gerald Seib recently reported in the *Wall Street Journal:*

> *Less than three years after President Carter announced a commitment to defend the Persian Gulf, the U.S. has gained a beachhead, with troops and bases, in key areas of the Mideast.*
>
> *The most important development will come next year, when the Pentagon establishes a new unified command, known as the Southwest Asia Command, to replace the Rapid Development Force. This new command will eventually include several hundred thousand U.S. troops, who will be available for any Mideast emergency.*

US expenditures on military construction in the region jumped from $147.6 million in 1981 to $504.5 million in 1982. Much of this has gone to build a huge air base at Ra's Banas in Egypt to receive or ferry the Rapid Deployment Force. Several thousand troops and Pentagon civilians are already stationed in the region.

In November 1982 the US and Turkish governments signed an agreement calling for the United States to enlarge present Turkish military bases, build new

ones, and airlift troops to the bases in a crisis. In 1982 the Reagan administration gave Turkey $700 million in aid; $815 million is planned for 1983.

On January 12 Metin Demirsar reported in the *Wall Street Journal* from Istanbul that with the secrecy surrounding the bases, "some Turks suspect the bases eventually will become staging points for the U.S. Rapid Deployment Force....The military-base agreement also leads some Turks to fear that their country could be dragged into a conflict with either the Soviet Union or Iran if large numbers of U.S. troops were deployed in Turkey."

There is good reason to believe the Reagan administration is purposefully pursuing an extremely "low media profile" on this build-up to avoid public opposition both in the Middle East and in the United States. In an interview with the *Economist*, Henry Kissinger recently called for a very "subtle and non-public" build-up of US military force in the Gulf region to protect the "moderate Arab" (that is, OPEC) states against any threat from within, from Iran or "radical Arabs," or even from the Soviet Union:

The moderate Arab states of the Gulf must be looking now for opportunities for greater co-operation with the United States....The countries in the Gulf have to understand that we are prepared to protect both their domestic structure and their frontiers; and they need to be given confidence in the means which we will use. It would be extraordinarily desirable if we could repress our tendency for publicity, and if our military could restrain their compulsion to establish a visible presence....I think what we need is installations into which we could move rapidly; a physical presence near the Gulf that is plausible; and a demonstration of how we could reinforce this presence. And we must generate a credible capability for rapid support against internal upheaval. The embrace must be real and serious, but as subtle and non-public as possible.

A few commentators, notably Drew Middleton in the *New York Times* and Hodding Carter III in the *Wall Street Journal*, have recently decried the almost total lack of news coverage of the ferocious Iraq-Iran war that is destabilizing the entire Gulf. They rightly blame this silence mainly on the news media but fail to note how greatly this de facto news blackout is complemented by the almost total lack of any reference by any administration official to the war, to its dangers, to the Soviet military build-up around Iran (see below), or to our own build-up in the region.

The Carter-Reagan Doctrine is now being pursued aggressively, with extremely little debate, almost no public awareness, and hence little public acceptance. There is every reason to believe that, if any administration did try to live up to this pledge, we Americans would immediately refuse far more effectively than we did in Vietnam. The "low profile" might well be crucial in getting us into an Arabian war, but it would also be crucial in undermining any fighting of the war and would thereby further erode the credibility of our global defense strategy.

As Napoleon noted, in (conventional) war, moral factors are three times as important as physical force. In military strategy, *moral* means all nonforce factors, but morality is surely one of the most powerful. Of all our moral mistakes in Vietnam, the fact that we were always sacrificing American lives and the lives of Vietnamese peasants in support of corrupt South Vietnamese officials was probably the worst. Supporting them was not our purpose, but doing it for whatever "practical" reason proved a monumental mistake—totally impractical.

"Do you want your son to die for OPEC?" If there is ever a serious move to deliver on the Carter-Reagan pledge, that question and very similar ones will be on the hundreds of thousands of placards at anti-OPEC demonstrations around the country.

Today our politicians routinely refer to the Persian Gulf sheiks of OPEC as "pro-Western" and "friends of the West." But where did they ever get the absurd idea that the greedy ringleaders of the OPEC cartel are our friends? They are the worst economic enemies we have ever had. The great majority of Americans know this.

Any war to support OPEC's ringleaders will produce instantaneous moral outrage from most Americans. And the memory of Vietnam will lead to massive organization against any step-by-step involvement and any political deception.

As in Vietnam, some young men from the south and southwest will go along, but the vast majority of our sons will never fight for OPEC. I know many college and high school students; I do not know *one* willing to fight for OPEC. In fact, I can't think of any older Americans I know who would not be outraged at the thought of sending their sons to fight for Saudi Arabia. I haven't even bothered to ask my many Jewish friends.

Regardless of morality, some local wars are justified by appeal to global strategy or material interests. That was the argument in favor of supporting corrupt South Vietnamese. I believe the argument was, on balance, wrong; but the "domino theory" was a serious and legitimate one. The argument that we *need* the corrupt OPEC sheiks is not nearly so strong.

In an excellent article in REASON in February 1982, "Should We Spill Blood over Oil?" Laurence Beilenson and Kevin Lynch note that we get less than 25 percent of our oil *imports* from the Gulf. This is less than 8 percent of our total energy consumption and is shrinking rapidly. We could, without losing one life and at low cost, increase our general national security by increasing our oil stockpile to a year's supply. We could also shift our oil purchases entirely to Mexico, Nigeria, and many other nations that would eagerly sell us enough oil under long-term contracts to offset *all* our Persian Gulf imports. OPEC needs *us*; we do not need them.

Europeans get roughly 50 percent of their *total* oil from the Gulf. They could develop their vast gas reserves in the North Sea to offset this, but they refuse to do so. They too could stockpile enough oil but refuse to do so. They are developing gas lines from the USSR to offset their Gulf imports, and they furiously reject our American opposition to that move. Not a *single* European nation has considered it worthwhile to support the Carter-Reagan Doctrine.

On the debits side, the arguments against the doctrine are overwhelming. The Soviets have coveted the region and its warm-water ports for centuries. They occupied the northern part of Iran during the Second World War and left only under stern pressure from the new regime of Mohammad Reza Pahlavi, the late shah of Iran. They have now invaded Afghanistan.

The Soviet Union has very powerful forces within a few hundred miles of the Gulf. The *Economist* recently reported that intelligence estimates show that the USSR has up to 24 divisions poised on the northern border of Iran. It has also concentrated forces in southern Afghanistan, possibly preparing for rapid deployment of its huge Military Air Transport command (with 1,700 fixed-wing aircraft and 2,000 helicopters in 1981) in a pincers movement in the Gulf region.

With the exception of four carrier task forces, our forces are thousands of miles away and most are committed to defending more vital interests, like Europe. Few Americans would choose to start a nuclear war to defend OPEC nations that

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HOSTAGE FACTORIES

BY RICHARD B. McKENZIE

Youngstown, Detroit, Newark, Cleveland, Pittsburgh, Gary, Akron—their names strike a sensitive chord among concerned readers of the daily press. In the minds of many, these cities, rightly or wrongly, epitomize urban decay, recession, and despair. All have suffered through the closing of one or more major plants, and much has been written about the resultant effects on the firms' local employees and the communities in general.

In early 1982 *60 Minutes* reported on the closing of a General Electric plant in Ontario, California. Mike Wallace interviewed workers who were obviously distressed by the loss of their jobs, especially since GE was closing the plant in order to shift its production of irons to foreign countries. The company argued that the switch from metal irons, which the California plant made, to plastic irons, which could be produced more economically abroad, made good business sense.

ABC ran a similar story on *20/20* a few weeks later. This time the report concerned the closing of a small New England plant that manufactured gear boxes for pleasure boats. Foreseeing the economic distress the closing would cause the employees and community, the town pulled together and raised funds to send a delegation of workers and townspeople to Wisconsin to talk with officers of the parent corporation—all to no avail. In the absence of an offer to buy the plant, the doors were shut.

On January 1, 1983, the *Los Angeles Times* ran a front-page story that started with a report of two firms' relocations to take advantage of lower costs. The Tonka Corp., in moving its manufacturing from Minnesota to Texas, figures that its labor costs would be slashed by two-thirds. And Blue Shield's San Francisco office was benefiting from lower salaries and rents by relocating its operating departments to 11 rural California offices hooked up to headquarters via computer. Blue Shield's move, worried the *Times*, would "leave a force of middle-aged minority women jobless in an already depressed urban area."

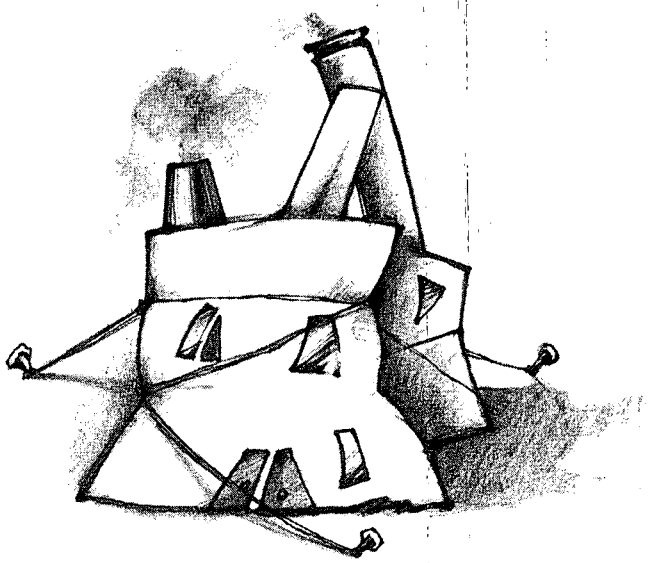
Fearing the consequences of a rising tide of plant closings, workers and communities across the country are hoping to change the way such business decisions are made. Often, plant closings are blamed on the "irresponsible" and "callous" profiteering of free enterprise. The *LA Times* headline on its January report read: "Profitability Edging Out Social Costs." Ellen Green, coordinator of a Plant Closures Project in California, was quoted: "Many closings are based solely on a cost-benefit analysis with no social factors considered."

Making sure that businesses pay attention to such social factors is the aim of labor and community activists who are increasingly joining battle in the political arena with legislation designed to restrict plant closings. The idea is to revamp, by law, a perceived growing incompatibility between the mobility of "financial and physical capital" and the desire of people with "human capital" to stay put, retain their jobs, and develop their communities.

Plant closings, proponents of legislation contend, not only contribute to greater unemployment but also to:

- a reduction in national income, since many workers remain idle for long periods of time and since firms that move to lower-wage areas necessarily lower their total wage bill;
- an increase in physical and mental illness and crime, since researchers have found that a one percent increase in the national unemployment rate is associated with 37,000 deaths (including 20,000 heart attacks), 920 suicides, 650 homicides, 4,000 state mental hospital admissions, and 3,300 state prison admissions;
- a reduction in tax collections, since fewer people earn an income and the property-tax base partially evaporates, and an increase in social-welfare expenditures in communities hit by plant closings;
- a decline in self-esteem and morale

The hidden costs of plant closing laws



Illustrations by Linda Holt

among workers; and

• an increase in marital and family problems, from divorce to child abuse, since any rise in mental and physical problems is felt first and most keenly in the home.

To the advocates of restrictions on business, the consequences of plant closings are pervasive—and everywhere destructive.

Since 1974, various plant closing laws have been introduced in Congress. So far, the only legislation passed has been a bill requiring the Department of Labor to compile and release information on plant closings categorized by sector and by state.

More recently, a spate of bills, having common objectives and similar characteristics, have been introduced in 21 states ranging from Hawaii to Alabama to Maine. A state legislature in every major region of the country has considered at least one bill over the past two years. However, the stronghold of this new political activism remains concentrated in the northern industrial-tier states, where concern over "capital flight" and "deindustrialization" remains high.

Although the movement has the backing of national groups like Ralph Nader's Public Interest Research Groups and the AFL-CIO and a variety of state groups such as the Ohio Council of Churches, its efforts have been thwarted to date in most states primarily, as might be expected, by business interests. However, two states—Maine and Wisconsin—now have restrictive legislation on their books.

In addition, the movement's successes are gradually mounting, first by having bills introduced where a sponsor could not, at one time, be found; then by having bills emerge from committees, where they were once buried; and now, as noted, by having two states adopt relatively mild restrictions. These successes, although limited, speak to the staying power of the bills' political supporters. Much of their literature attributes plant closings to the free play of market forces, and proponents of legislative relief often perceive themselves as engaged in a long-term struggle to change fundamentally the distribution of economic power in this country—to democratize, if not humanize, entrepreneurial decisions.

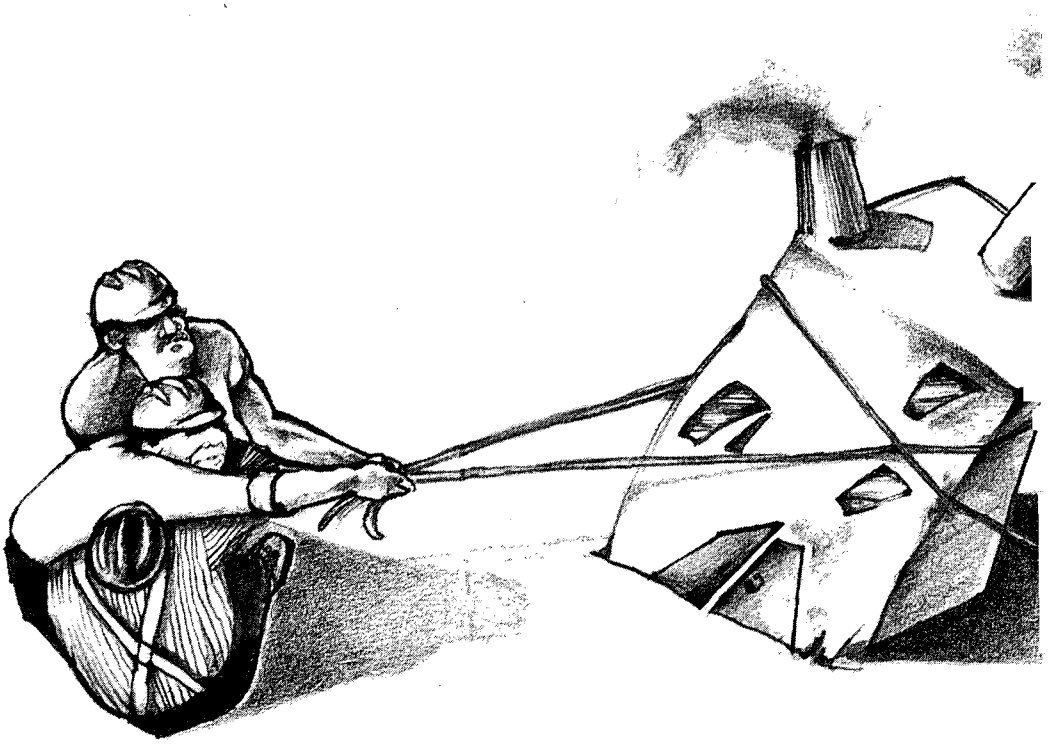
The various federal and state proposals have several unifying features. First, they tend to apply to firms with a minimum number of employees, generally 50 or 100. After all, the intent of the legislation is to limit the economic impact of "major" changes in business operations.

Second, most of the proposals require plants to give notice of their intentions to close one year in advance. The legislative proposals in Ohio, Washington, and Oregon specify that notice must be given two years in advance.

Third, most of the proposals have some form of severance pay requirement. Alabama's bill is typical in that it requires firms to grant affected workers a lump-sum severance pay equal to their average weekly wage times the number of years employed. A worker, for example, who has earned an average of $300 a week for the past year and has worked for the company 20 years is entitled to a lump-sum payment of $6,000.

Fourth, many of the state proposals require companies to make restitution payments to the affected communities—to be used mainly for readjustment programs—equal to 10 or 15 percent of the previous year's total wages paid the unemployed workers.

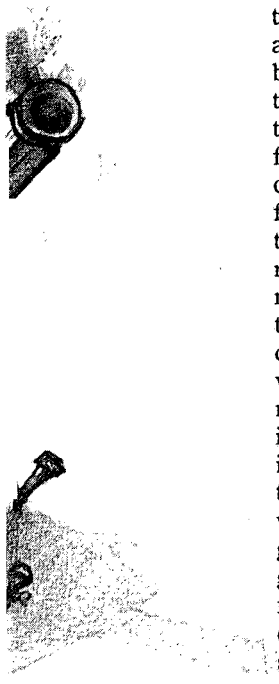
Finally, the bills typically do not apply to bankrupt firms, to nonprofit organizations, and to governments and their agencies. (Why governments are not covered is unclear. It would appear that changes in government programs, like the relocation of a major health center, can be just as devastating to communities and workers as any closure of a private, profit-making firm.)



Before restrictions on plant closings are adopted, however, state legislators would be well advised to look carefully behind the headlines and the emotional trauma that understandably accompany plant closings. On the surface, plant closing laws appear to be a relatively simple, straightforward solution to an otherwise complex and destructive social ill. However, this new form of regulation will cut a government swath across the private economy that is both broad and deep: it will inextricably entangle state governments in the affairs of business in a way never before attempted or even imagined. State governments will, very likely, become the arbiters of literally tens of thousands of closings and changes in

operations, for we can expect firms to try to escape the costs implied in the restrictions through any one of the loopholes that inevitably permeate legislation.

Evaluating the economic justifiability of many closings will not be easy. No doubt, some firms will try to work business assistance and worker buy-out provisions to their advantage. Furthermore, the laws offer firms an economic incentive to order their financial affairs so that they can declare bankruptcy when they announce their intentions to close. State officials can anticipate that firms will adjust their size and restructure their organization so that the closing laws do not apply to them. We can only wonder whether state governments, struggling to stay afloat financially and to produce traditional sorts of services like education and highways, are actually prepared to cope with the task being proposed.



Where will these laws leave states? State governments will in many respects become more than just regulators of entrepreneurship—more than just rule setters; they will likely have to attempt to become entrepreneurs themselves, for their actions to retard firm closings and relocations will necessarily affect the timing and regional distribution of the states' and nation's physical and human resources. Restrictions on plant closings are not simply restrictions on "physical things," like buildings and equipment, as they are often characterized; they are also restrictions on real people whose legitimate rights will thus be usurped and managed by state government. Nor will the restrictions affect only the owners of firms—the "greedy profit seekers" castigated by proponents of restrictions; they will also affect workers—some wealthy, some not so wealthy—who save and want to invest in efficiently run companies, who wish to buy goods and services at the lowest prices possible, and who will be less able to find the type of productive jobs they seek.

Contrary to what may be imagined, restrictions on plant closings have another hidden negative dimension: they are also restrictions on plant *openings*. What firm would be interested in investing in a state that has in force the smorgasbord of restrictions contained in several of the proposed laws? The question is especially relevant to areas of states that are depressed and therefore risky.

Plant closing laws accomplish one thing for sure: they increase the cost of doing business—and of staying in business. And firms must cover the prospective costs of closing with additional insurance against closing or with their own contingency fund to meet the prenotification, severance pay, and community restitution requirements.

To understand the economic impact of these proposed requirements on business, consider the case of Firestone's 1980 closing of its subsidiary Dayton Tire Company, which employed 1,800 people. The two-year notification, severance pay, health insurance, and community restitution provisions incorporated in the Ohio bill would have, if it had been in effect, cost Firestone, after allowing for sales during the notification period, more than $60 million. And Firestone closed four other plants that year.

These costs are obviously not trivial. They can portend bankruptcy and the closing down of the entire firm, not just one or several plants. They can jeopardize the jobs of workers not in the plants slated to be closed. There is reason to wonder whether Firestone would have survived its financial storm of 1980 if laws like the Ohio bill had been in effect in states where Firestone closed its facilities. The company was struggling that year through serious losses due partially to a dramatic and unexpected shift in car-buying habits and to the legal and market fiasco following defects found in its "500" tire series.

Oddly enough, closing restrictions can *force* closing decisions. At any moment in the economic history of a state, many firms teeter on the brink of closure. Firms must continually evaluate their future prospects, asking whether they can make it through the next six months, year, or two years. Once they announce their decision to close, their coffin will be sealed: their employees can be expected to jump ship, and their suppliers, buyers, and creditors can be expected to deal more cautiously with them. (Levi Strauss has a company policy of announcing a plant closing at least a month in advance, but this has created problems. "Even with this relatively short lead time," reported the *Los Angeles Times*, "some plants have been crippled because a majority of workers have left before the final closing.")

Because of the notification requirements, many firms can be expected to announce their intentions to close at a time when they would otherwise—in the absence of the notification requirement—try to ride out adverse, but possibly temporary, market conditions. In this respect, "plant closing laws" are indeed plant *closing* laws. States that enact restrictions can be certain that those restrictions will reduce their competitive position with other states and the effectiveness of their efforts, made at some expense to taxpayers, to attract new industries.

These are the kinds of considerations that lead many proponents of restrictions to seek *federal* laws, applicable to all states. Under a federal law, no state would be placed at a competitive disadvantage to other states—all would be subject to the same restrictions. But the fault of a federal approach lies precisely in its uniformity. Federal law would be everywhere the same, denying individual states and individual communities the right to competitive and creative responses to similar, but not identical, social problems.

Proponents of restrictions point to all the "job losses" attributable to plant closings. One study commissioned by the Progressive Alliance, for example, charges that 15 million US jobs were lost because of plant closings during the early 1970s. Although many people do suffer when their firm folds, focusing only on these job losses distorts the economic burden of closings. Anyone who assesses the economic stability of the banking industry by looking solely at withdrawals will necessarily conclude that all banks will eventually fail. But few banks fail—and most are indeed quite stable—because of offsetting deposits. Similarly, any dynamic economy is driven inexorably by the creative process of closings *and* openings—the births, renewals, and deaths of firms. Admittedly, the competitive market process is, by its very nature, destructive; the destruction is, however, "creative destruction"—when one firm goes under, its resources are released to other, more cost-effective firms that offer consumers more of what they want at better prices. As a matter of

fact, during the first half of the 1970s there was a *net gain* of 10 million jobs created in the United States.

Some would have legislators believe that opposition to restrictions on plant closings is "antilabor" and "probusiness." That could not be further from the truth. Because of the costs imposed on business by the restrictions, they amount to a tax on business *for its use of labor.* The greater the use of labor, the greater the tax. Surely, such a tax will dampen business demand for labor and consequently will retard growth in wages. What would workers expect in terms of wages offered if they required 52 weeks of severance pay? What would they expect if government, acting in their stead, were to require it? Real people, primarily workers and consumers, will ultimately pay through lower wages and higher prices for the notification and severance pay benefits received.

Many suppose that since business is in the vanguard of the opposition to restrictive laws, the business community is uniformly against the proposed restrictions. That may be a serious miscalculation. Many businesses do not always want to compete, to have to worry about someone else outproducing or underpricing them. Restrictions on plant closings are as much restrictions on entry into competitive markets as they are on exits: they keep competition out of local markets by denying businesses the ability to move from elsewhere, and they discourage the emergence of new businesses—new investment and new competitors. Thus, such laws can protect established wealth by protecting established businesses, with market-proven products, from potential competitors, with goods untried in the marketplace.

The high incidence of child beating among laid-off workers is often cited as a reason for government restricting plant closings. Yet the people who are unable to find jobs or remain unemployed *because new plants do not open or old plants do not expand* can also take out their frustration on their children. Any children abused by their parents *because of plant closing restrictions* should be of no less concern than any children abused because of plant closings.

There are private alternatives for dealing effectively with the prospects of plant closings. One obvious remedy every community has is active promotion of its community to prospective industry. This is the approach taken by Pittsburgh in 1981 with full-page ads in the *Wall Street Journal,* portraying the city as "Dynamic Pittsburgh." (Every time a city complains bitterly of its economic distress, it can be assured that some company somewhere decides to locate elsewhere.) Another, perhaps less obvious solution, is for the community to remain competitive in terms of taxes.

Between 1965 and 1980, manufacturing employment in Massachusetts fell at a compound rate of about 0.5 percent a year. This average, however, hides a reversal in the economic hopes of the state. Since 1975, manufacturing employment there has *risen* at a compound rate of 3.3 percent. In October 1982, with the national unemployment rate over 10 percent, Massachusetts unemployment stood at 6.5 percent—the lowest among the top 10 industrial states.

A significant part of the state's employment growth is in high-technology industries, and a part of the upturn can be explained by the political efforts of the Massachusetts High Technology Council, a group of 115 or so businesses interested in boosting the supply of technicians and engineers in their area. In the late '70s, high-technology industries in Massachusetts faced a shortage of critical personnel. The business owners who formed the High Tech Council reasoned high taxes in the state were responsible. So the council turned its efforts toward reducing taxes. In 1980 it helped pass "Proposition 2½," a state constitutional restriction on property taxes similar to Proposition 13 in California. Now the council is trying to get total state and local taxation in Massachusetts constitutionally limited to the average in 17 other industrial states.

Ray Stata, one of the state's high-tech entrepreneurs and a founder of the council, stresses that its main contribution to the political dialogue was getting "acceptance of the concept that Massachusetts has to be competitive among states"—that in the maintenance of a healthy economic base, a state must keep its taxes in line and keep a watchful eye on how educational dollars are spent. And by stepping up corporate donations to regional university programs in engineering and the sciences, council members have put their money where their convictions are.

Another private means of dealing with the prospects of plant closings is for workers to remain competitive in their wages. Profit-seeking firms are spurned by advocates of restrictions, but they will not allow truly profitable plants to go down the "economic drain." Automobile workers have come around to negotiating long-term job security by way of concessions on future wages and benefits, enabling American car manufacturers to become more price competitive. In fact, the United Auto Workers' Douglas Fraser takes credit for getting the Chrysler Corp. to adopt a plant closing notification policy. The idea is to let the union know in advance so that it can work out any wage and benefit concessions that might prevent the closing.

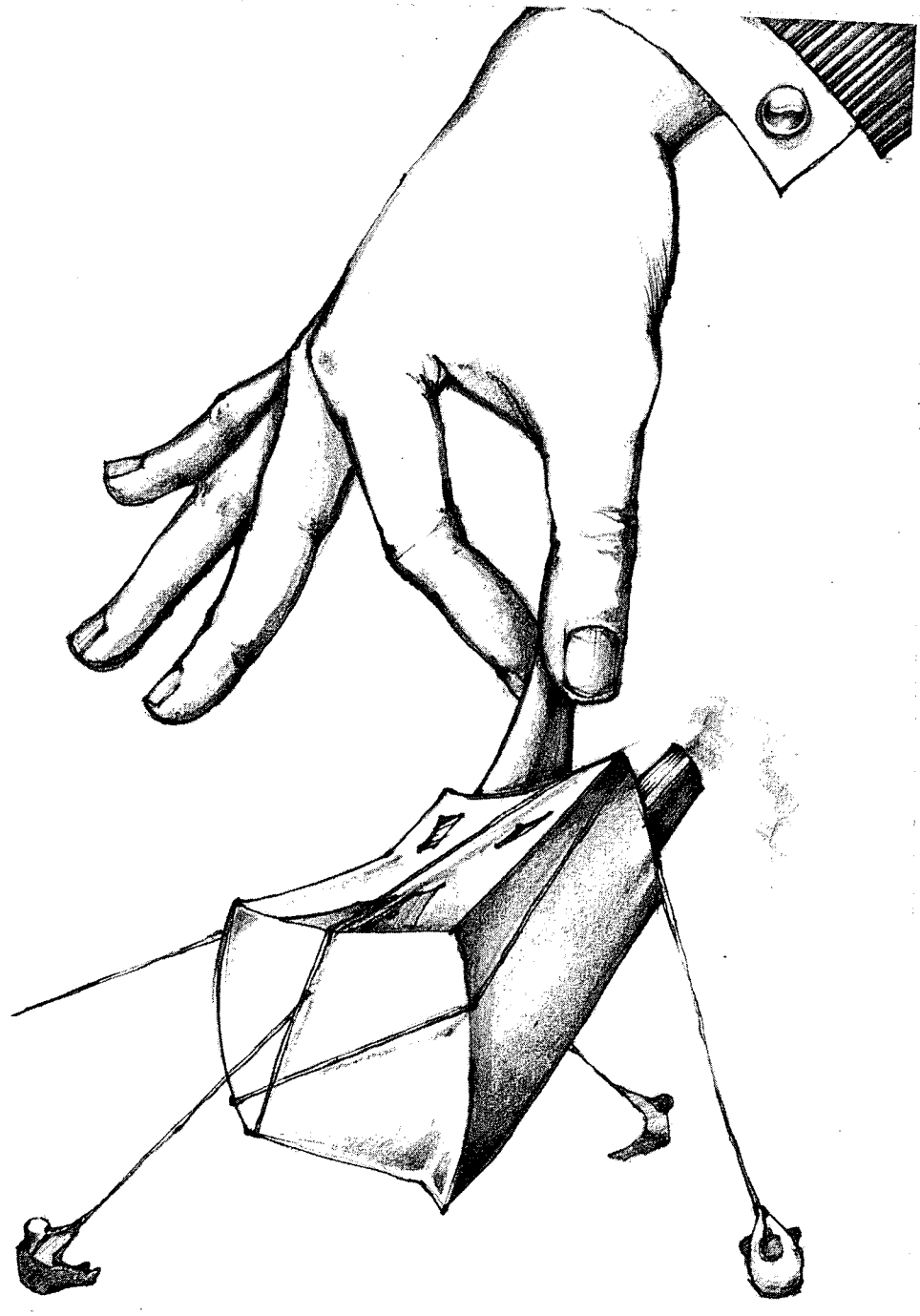
Through savings, workers can build up their own severance pay reserve. To accumulate an amount equal to the required company payments typically proposed in legislation, a worker would have to save less than two percent of his earnings and would gain the interest in the process. Legally mandated severance pay would ultimately reduce workers' paychecks by an amount equivalent to personal savings, of course. The difference is that the former is forced, regardless of the individual worker's circumstances and preferences, on all workers of a state or the country.

Plants do close down. Some firms give their workers several months' notice, as was the case in the closing of Youngstown's Lykes Sheet and Tube Company in 1977. Others, however, give little notice. Sometimes, firms lead their workers to believe operations will continue on into the indefinite future, only to announce their closing a week or two later. And some firms, especially those that intend to go out of business altogether, have an eco-

nomic incentive to hide their intentions to terminate operations. Any announcement can cripple a firm's ability to continue production and can increase losses and the erosion of capital.

In all of these cases, real people often suffer. Is it the best course, however, to deal with such problems by passing laws?

It may seem that the solution to the controversy is simply to find a compromise, a shorter prenotification requirement (somewhere between no requirement and one or two years) and a smaller mandated severance pay, possibly one or two weeks' worth. The dilemma is, however, much more complex. There will be a cost attached to any uniform requirement, and those costs will, again, be borne by real people. Workers will probably bear the lion's share of the burden, and the difficulty in mandating severance pay lies in the fact that not all workers will want to make the same trade-off between severance pay and wages or other fringe benefits forgone. Yet there must be a trade-off!



Perhaps the solution to the problem of plant closings can be found in first principles of a market system. In a market system, contracts can provide for virtually anything, so long as the parties agree and are held responsible. Contracts between employers and employees concerning notification and severance pay would allow for many individual variations.

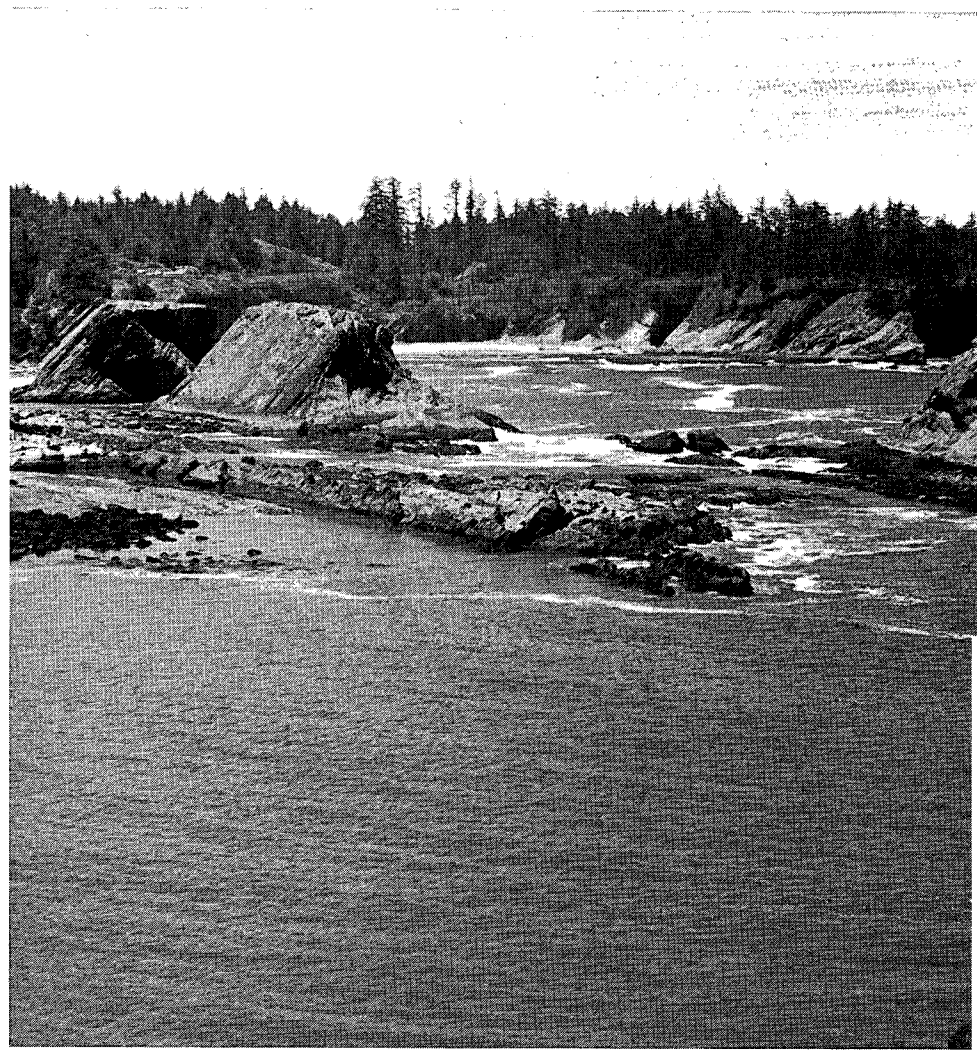
For a market system to work sensibly, contracts must be enforced. Fraud must be minimized. And laws against fraud should be just as applicable to employee-employer relationships as they are to consumer-seller relationships. To ensure efficiency as well as equity in the private sector, employers and employees must be held accountable for the bargains they strike. If employees give up a portion of their wages in exchange for a guarantee of severance pay, in the event their plant closes, then their right to severance pay must be upheld. If an employer agrees to provide advance notice of a closing in return for employees' promise to stay on until the plant actually closes, then the employer's right must be upheld.

To be held legally liable for their own actions in a market setting, people must be viewed as tolerably competent to strike their own bargains. Employees may not be as knowledgeable about the circumstances of their employment as we would like. But we must ask then whether legislatures are any better equipped to write into law regulations that can deal effectively with the varied circumstances of individual workers and communities.

In the final analysis, plant closing laws are not restrictions on capital. They are restrictions on what a free people can do. They deny the entrepreneur's right to dispose as he judges best of assets that have been freely and justly developed or purchased. Usurping entrepreneurial rights through legislation must be as morally suspect as usurping a worker's right to quit, to seek new skills, and to become employed elsewhere. Such workers' rights are also entrepreneurial rights—and human rights as well. ◻

Richard McKenzie is the author of Bound to Be Free *(1982) and* Free to Close: The Economics and Politics of Plant Closings, *to be published this spring by the Pacific Institute for Public Policy Research. He is an adjunct scholar at the Heritage Foundation and a professor of economics at Clemson University. This article is adapted from a monograph published by the International Institute for Economic Research.*

BY KELLY ROSS



Losing Ground

Despite widespread dissatisfaction with it, the nation's toughest land-use control law keeps surviving challenges.

"GOING TO OREGON is almost like traveling to English-speaking Canada," observes the *1982 Almanac of American Politics*: "the society is clearly similar, but everything is arranged in a slightly different way and the assumptions that guide public policy are noticeably different." In no area have those assumptions been more different than in the state's policies concerning private property. Beginning with the Oregon Beach Bill of 1967, under which the state declared its ownership of the entire shoreline from extreme low tide up to the 16-foot elevation, a series of legislative acts has aimed at preserving the countryside but has evidenced little regard for those who might own a part of it.

When Oregon's census figures grew by 18 percent during the 1960s and 25 percent during the '70s, many long-time residents displayed a strong xenophobic reaction. Automobiles sprouted bumper stickers reading "Don't Californicate Oregon." The James G. Blaine Society was chartered, dedicated to "various graceful, poetical, vague, and sinister means of discouraging overpopulation of Oregon." And, in a nation that has long equated population growth with prosperity and success, then-Governor Tom McCall publicly urged people to come visit but not stay.

These high feelings reached a crescendo in 1973, when the legislature passed Senate Bill 100, establishing a statewide system of land-use planning. An innocuously named Land Conservation and Development Commission (LCDC)—seven appointed members and their staff—was given considerable power over all land, air, and water resources. The commission was charged with developing what were to be known as "statewide planning goals" and with identifying "areas of critical state concern and activities of statewide significance." These would become the standards for approving or rejecting comprehensive plans that each city and county was required to develop and submit to the LCDC.

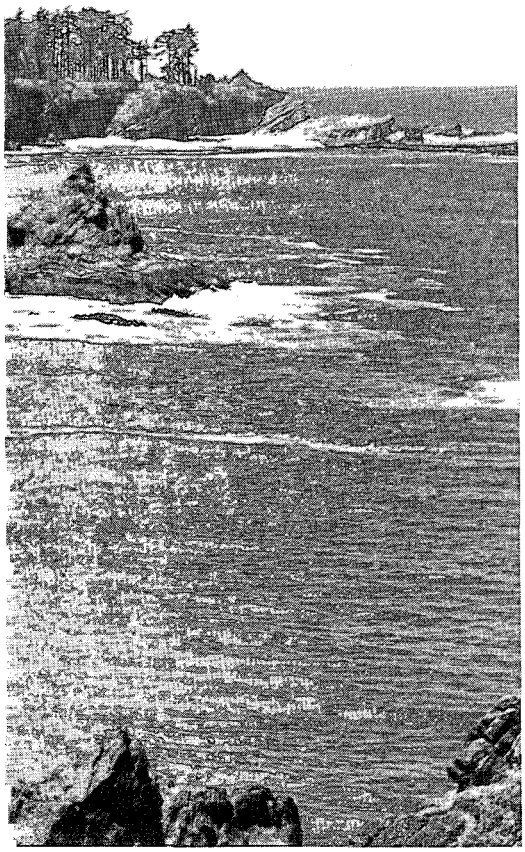
The first 14 "goals" were adopted in December 1974, and 5 more were added over the next two years. So vague and general were they that few except the LCDC could fully understand what was required to meet them. Goal 5 for example, is to "conserve open space and protect natural and scenic resources." It requires that "programs be provided that will: (1) insure open space, (2) protect scenic and historic areas and natural resources for future generations, and (3) promote healthy and visually attractive environments in harmony with the natural landscape character."

The guiding idea of these goals was to make sure that most future growth was within established urban areas, leaving the more pastoral areas in their pristine state. This aim is clearly expressed in Goal 14, which is "to provide for an orderly and efficient transition from rural to urban land use." To implement this goal, the commission stipulated that "urban growth boundaries shall be established to identify and separate urbanizable land from rural land."

As one might guess, the value of land outside these "urban growth boundaries" dropped dramatically once its use was so limited. Coos County Commissioner Ed Stevenson estimates that the 1973 law has translated into a $50-million loss in property value in mostly rural Coos County.

It is interesting to note that in passing Senate Bill 100, the legislature recognized that there could be an adverse im-

Photographs courtesy of Oregon Department of Transportation



Oregon

pact on some private property owners. One provision of the bill established a committee to study and make recommendations "on the implementation of a program for compensation by the public to owners of lands for the value of any loss of use resulting directly from the imposition of any zoning, subdivision or other ordinance regulating or restricting the use of such lands." Oregonians felt a sense of foreboding when the committee reported back in 1976 that an adequate compensatory program would exhaust the resources of the state treasury. But instead of pausing to ask, Why devalue so much property if we can't pay for it? the legislature blissfully ignored the issue. Since compensation was impossible, it was no longer of concern.

Under the law, comprehensive plans by each city and county were to be completed and approved by the end of 1975, but as of September 1982, only 151 of a total 281 plans had gained the endorsement of the LCDC. Those involved in the system continually found themselves having to revise procedures in response to new law created by court decisions or bureaucratic whim, then revising the revised procedures in response to the next directive. Between 1973 and 1981, $29.4 million of state and federal taxpayers' money was spent in administering the program. Counties expended an additional $10-$15 million and landowners millions more in trying to work within the law.

The complexity of the law gave birth to an army of "planning consultants" whose job it was to generate the mountain of paperwork required for even the most simple project, since every proposal for change had to address every statewide planning goal. A 1973 Oregon Supreme Court decision made things even more difficult by upholding a requirement that applicants for a zone change or subdivision prove not only that the development was legal but that it was *needed* and that *other* suitable property was not available!

Land-use economists were called to testify in public hearings that there was demand for a given project and that the demand constituted a public need. Realtors were asked to testify that they had unsuccessfully searched the marketplace for other available property or, if other property was available, why it was unsuitable. Befuddled property owners wondered what earthly difference it made whether there was other property available when they were interested in the property they owned. In the event that approval was given at the local level, the system almost encouraged appeals to higher bodies. Opponents of change didn't even need to show that they were specifically being affected, since legal standing to file an appeal was granted to any individual or group interested enough merely to testify at the local hearing.

The path of one case could take years to complete, and throughout, the burden of proof was always on the property owner. A former vice-chairman of the LCDC was forced to conclude, writing in the *Willamette Law Review*, that "only the rich, the extremely tenacious or those paid annual salaries to advocate can afford to persevere in such a system."

BY 1976, RANCOR against the program was such that enough signatures were gathered to put the entire matter on the ballot for voters to decide. The LCDC survived by a 57-to-43 percent margin. Two years later, in 1978, the issue was once more on the ballot and again was supported, this time by an even wider margin of 60 to 40 percent. After the 1978 defeat, LCDC opponents were becoming resigned to control of private property resting in the hands of a capricious state bureaucracy. But in 1979 a new development markedly changed Oregon's way of life: national interest rates rose to levels that in years past had been prohibited by usury laws.

To fully appreciate the implications of such a shift, one must understand the extent to which the state is dependent on the timber industry. It has been accurately said that when the housing market cools, Oregon freezes. When national housing starts cooled from 2 million units in 1978 to 1.1 million in 1981, three-quarters of Oregon's approximately 28,000 lumber mill workers were frozen out of work or were working less than a full shift. By July 1982, of the 197 lumber mills usually in full production, 73 had closed and 54 were running at less-than-normal capacity. Statewide unemployment rose from 6 percent in 1978 to 12.5 percent in 1982.

The ripple effect was startling. State income tax revenues declined so rapidly that the legislature had to be called into special session three times in 1981 to deal with projected budget deficits. Stores desperate to move merchandise ran continuous clearance sales, even during the usually busy Christmas season. Real estate foreclosures in one county hit 250 per month. And by 1981 the no-growth advocates saw their goal met: figures from Portland State University's Center for Population Growth showed that, not only had Oregon's population growth stopped, but more people were now leaving the state than were arriving.

In the midst of such turbulence, people were beginning to ask why, in this era of high technology, Oregon was still at the mercy of national demand for its forest products. Conferences were held, consultants retained, and studies made, all to determine how best to deal with the economic problems.

With near unanimity, the experts announced that Oregon suffered from an antibusiness image. Frank Cappiello, a panelist on the PBS television series *Wall Street Week*, summed up the situation quite well when he told an economic

development conference, "The perception we have of Oregon in the East is that it really doesn't want industry. Oregon is perceived as wanting a nice, clean, self-contained environment. Investors look around . . . and go to Arizona, where people are perceived to be more concerned about jobs. One day people who worry about the clear environment will be able to see the Cascade Mountains, but they won't be able to eat."

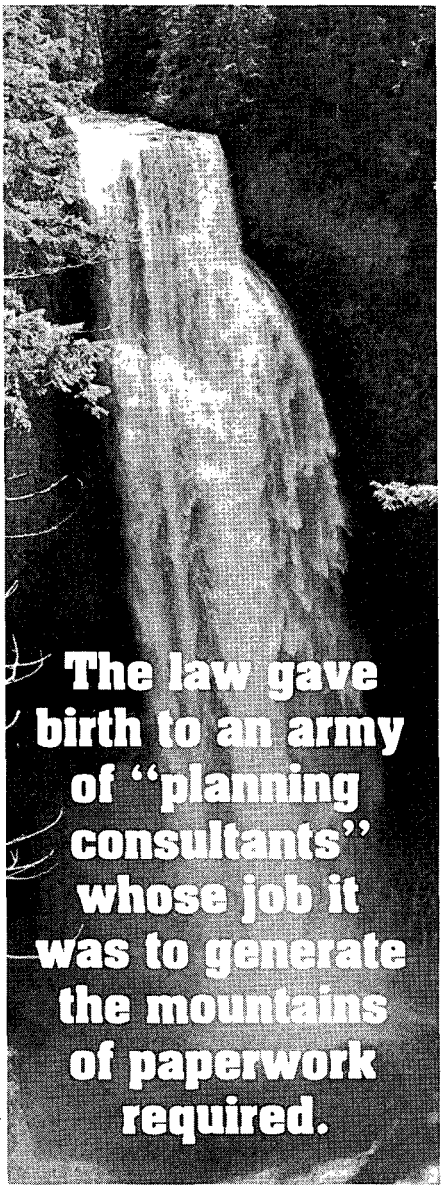
To confirm this view, an annual study of business climates in the 48 contiguous states by the accounting firm of Alexander Grant Co. ranked Oregon 36th in 1982. As an example of the indifference shown to industry, Allen E. Wood, director of real estate and plant siting for the $10-billion-a-year Westinghouse Electric Corp., told a reporter for the Portland *Oregonian* how he contacted the Oregon Department of Economic Development for information on industrial land in the state. The material he finally received, after sending in $15 for handling costs, consisted of brochures detailing campground opportunities. But the coup de grâce was a scorecard published by *National Industrialist* magazine showing how many new industries each state had attracted during the first half of 1981: North Carolina, 179; Texas, 303; Florida, 191; and Oregon, only 4.

Hurting from such rejection, public officials and civic groups suddenly scrambled to find ways to change the state's image. Early attempts bordered on the bizarre. Gov. Victor Atiyeh at one point proposed dynamiting one of the signs along the Oregon-California border welcoming visitors to the state. Because the sign read "Hope You Enjoy Your Visit," Atiyeh felt there was the inference that Oregon would take tourist dollars but still didn't want anyone to move in for good. Plans for the publicity stunt were dropped when someone pointed out that the massive carved wooden sign was worth over $15,000.

More rational thinkers, however, were increasingly pointing to the state's land-use laws and the LCDC as the main culprit in Oregon's bad business reputation. Since 1978, when the issue was last on the ballot, the planning bureaucracy had made many enemies. Becoming impatient with local governments to conform to its edicts, the commission began exercising its broad enforcement powers. Curry County suffered for two years under a total building moratorium because it had not taken the demanded steps to protect agricultural lands. Ignored was the fact that 94 percent of the county consisted of federal or corporate timber lands, and the only cash crops were cranberries and Easter lilies. At the other end of the spectrum, the small town of Happy Valley was ordered to speed up development and achieve greater density, even though the 1,440 residents indicated a strong desire to stay small.

Counties and cities were finding that after going through the laborious process to develop a comprehensive plan, nearly 86 percent were rejected on first submission as unsatisfactory. A comment by one former LCDC member to a reporter typified the state of affairs: "We're still struggling with how much freedom should be allowed," she said.

THOUGH MOST LOCAL OFFICIALS bowed to the commission's intimidation and arrogance, their constituents were not so accommodating. One county commissioner was recalled from office for being too sympathetic to the LCDC; voters in three counties threw out commission-approved plans; and bumpers around the state began to carry a new sticker saying, "Poland has martial law, Oregon has LCDC." The time seemed right for a petition drive to place the issue on the ballot again.



Other avenues for dealing with the planning bureaucracy, such as legislative modifications or court cases, had already been pursued, but without success. In every session of the legislature, strong attempts were made to gain relief, but the environmental lobby was always too powerful. A lawsuit challenging the constitutionality of the program was brought in 1977 by 21 local jurisdictions, only to bounce around the court system for five years. (In July 1982, all appeals were exhausted.)

So on November 14, 1981, groups from around the state came together in a Portland suburb to evaluate the feasibility of another initiative campaign. In what may have been an omen of things to come, hurricane winds buffeted the area the day before, causing those in attendance to make their plans without the comfort of heat or electricity. Despite such inconvenience, a coalition was formed under the name Oregon Citizens for Fair Land Planning, and they decided to seek for a third time to overthrow the oppressive planning laws. By the end of June, petitions had been printed and distributed and 65,700 signatures gathered (only 56,000 were required), forcing the secretary of state to certify Ballot Measure 6 for the November general election. Relatively moderate in nature, Measure 6 called for elimination of the state's authority in land use planning but still required local elected officials to maintain master land plans.

It did not take long for the opponents of Measure 6 to make themselves known. While small in number, the list included many of Oregon's most prominent citizens. Both gubernatorial candidates, for example, seemed to disagree on everything except the inadvisability of 6.

Cochairman of Citizens to Defend Your Land—the group formed to defeat the measure—was John Gray. Gray was one of the state's most successful land developers and the chairman of the board of Omark Industries, the world's largest manufacturer of cutting chain for chain saws. He had built two of Oregon's largest luxury resorts in the days before the LCDC would prevent anything on a similar scale from getting off the ground.

Another member of the opposition was Bill Bowerman, cofounder of the Nike

Television ads against the reform measure showed developers' bulldozers plowing up beaches and wheat fields.

shoe company. In his 24 years as head track coach at the University of Oregon, Bowerman had trained 28 Olympians, 12 American record holders, 24 NCAA champions, and in the process, had become something of a guru to thousands of long-distance runners. Another Nike executive publicly declaring his abhorrence of the measure was Neil Goldschmidt, former mayor of Portland and secretary of the Transportation Department under Jimmy Carter.

No one had a greater impact on the outcome of Measure 6, though, than the man most instrumental in the passage of Senate Bill 100 in 1973—the late ex-Governor Tom McCall. With an unorthodox style and strong environmentalism, McCall had become something of an Oregon legend during his two terms in office. He was unsuccessful in a 1978 comeback bid for governor, but he still wielded considerable influence as an elder statesman and as a regular political commentator for a large Portland television station.

In 1973 McCall was found to have cancer, and despite surgery, the cancer appeared again in 1981, spreading throughout his body. Always one for theatrics, on October 7, 1982, McCall gave one of his best performances. Speaking for a gathering sponsored by two environmental groups, the ex-governor acknowledged that he had only a short time to live and pleaded with Oregonians not to repudiate the land-use planning system and "Oregon mystique" that were hallmarks of his administration. Asking the audience to bear with him for some personal remarks, McCall said: "I'm not embarrassed, I haven't got much time left. This is my last to talk to you about this. You all know I have terminal cancer—and I have a lot of it.

"But what many of you might not know," he continued, "is that stress induces its spread and induces its activity. Stress may even bring it on. Yet stress is the fuel of the activist. This activist loves Oregon more than he loves life. I know I can't have both very long, but the trade-off's all right with me." McCall concluded by declaring, "But if the legacy we helped give Oregon and which made it twinkle afar—if it goes, then I guess I wouldn't want to live in Oregon anyhow."

Oregon's news media gobbled up the maudlin exhibition. The Salem *Statesman-Journal* wrote in an editorial, "Oregon owes Tom McCall something better than the repudiation of his dream for the state." The largest daily, the Portland *Oregonian*, followed suit when it melodramatically said, "Respect for the man, the former governor, left no eye without a shine among the many business and professional persons who heard him, but their understanding of his message went much deeper." Even network television devoted time to the story. CBS News ran a lengthy segment dealing with McCall on the October 22 evening broadcast, and NBC's *Today* show carried a similar report a week later.

Only one newspaper in the state, the Grants Pass *Courier*, had the temerity to note that McCall's "pending death cannot offset the fact that many of the state's 2 million individuals feel oppressed, stifled and indeed hurt by the iron hand of the LCDC and even the plea of this dying man cannot alter the fact." In an attempt to gain similar sympathy for their own position, Oregon Citizens for Fair Land Planning organized a press conference in which a widow told how her husband had also been a victim of cancer, leaving her with $100,000 in medical bills. LCDC regulations prevented her from selling part of her 21 acres to raise needed cash or to give a parcel to each of her two children—because the land was classified as agricultural, the property had to remain in farm use and couldn't be divided into pieces smaller than 20 acres. This story was almost completely ignored by the media.

THE EMOTIONS GENERATED by McCall's remarks were heightened by strong editorial support from the *Oregonian*. No less than 12 editorials and columns warned that a host of evils would result if the state's authority in land use were ended. Citizens could expect "condomania on the coast," where "beaches could be behind fences and walls... screened by buildings, never to be ours again." Measure 6 would subject "Oregon's rich farm and forest lands and coastal areas to the same type of private, greedy or unthinking trampling of natural areas that existed before LCDC." Oregon's "model state land use planning

program" would be replaced with "chaos, sprawl, and disorderly growth." Residents would find "local politicians acceding to special interests rather than those of most residents and future citizens."

Television ads against the reform measure showed developers' bulldozers plowing up beaches and wheat fields while a narrator cautioned that this would be the result if Measure 6 passed. A radio spot featured a hysterical-sounding farmer saying that the only thing standing between his field and a lay of asphalt was LCDC. His plea: "Stop them! Please stop the land grabbers!" (The protection of farmland against urban development was one of the major objectives of the LCDC program. The commission proceeded to adopt a definition of agricultural land that included not only land currently in production but virtually any parcel that could possibly ever grow anything. Eventually in Oregon, 17 million acres will be in Exclusive Farm Use Zoning—more acreage under such tight restrictions than in the 49 other states combined, according to the 1981 National Agricultural Land Study.)

In contrast, the advertising in support of Measure 6 tried to rely on facts and reason. The dean of the University of Oregon School of Business talked about a Stanford Research Institute study showing that it took 3-5 times longer to prepare a new plant site in Portland, Oregon, than across the river in Vancouver, Washington, and 10-15 times longer than in Austin, Texas. Another ad featured the master of the Oregon State Grange telling why his agricultural organization was supporting Measure 6: farmland had been growing at a faster rate *before* the LCDC was created than afterward; regulations were denying farmers the flexibility to sell acreage when times were hard; and young people were prevented from breaking into farming because they could not afford the large initial investment required to purchase even the smallest allowable parcel.

Most major business organizations and chambers of commerce in the state endorsed the measure, as did the Association of Oregon Loggers, the Oregon Association of Realtors, the Association of Oregon Counties, the Oregon Cattlemen's Association, the Oregon Forest Industry Council, and many others. But it wasn't enough. The constant barrage of misinformation and scare stories had a devastating effect. Polls showing the percentage of those who would cast a yes vote went from 57 percent on September 24, to 52 percent on October 15, and finally down to 48 percent on October 30, dead even with those who would vote no.

The downward trend continued three days later when Ballot Measure 6 was defeated 55-to-45 percent. Although a majority in 21 of Oregon's 36 counties voted in favor of the proposal, the larger numbers of the Portland metropolitan area, where 40 percent of the state's population lives, were too much to overcome. As might be expected, the heaviest voting against the LCDC came from the areas the agency is most interested in preserving. Of the seven counties where 50 percent or more of the land is in farms, five showed voters casting their ballots decisively for abolishing the laws limiting the use of their property.

IT IS DIFFICULT to find a bright spot in the face of such a defeat. But perhaps the Oregon situation will serve to remind others that the right to own and enjoy private property, one of the most basic rights guaranteed by the Constitution, is probably also the most vulnerable to government encroachment. Because of the double standard in this country regarding political rights and economic rights, governments can quite easily impose an array of restrictions on a person's use of his property but not on something like speech, of which the late Supreme Court Justice Hugo Black once said, "Only the gravest abuses endangering paramount interests give occasion for permissible limitation."

University of San Diego law professor Bernard Siegan has written extensively on this subject and describes the situation quite well when he laments: "Few have better understanding of government abuses than the many organizations in the country dedicated to protecting civil and political rights. However, they never seem to apply this knowledge and prefer to look the other way when governmental agencies effectively deprive people of property, the fruit of their labor, savings, energy, and knowledge. They strenuously fight against the imposition of a minimal fine when political liberties are involved, and stand absolutely mute when the most arbitrary zoning and environmental restrictions reduce by hundreds or thousands of dollars the values of property owned by people of average means."

Let others take heed of what Oregonians have painfully learned: Once ground is lost, it is nearly impossible to regain. ◻

Kelly Ross is a former aide to Sen. Mark Hatfield and is a member of the Curry County, Oregon, Board of Commissioners. He was active in Oregon Citizens for Fair Land Planning.

Arabian War

(Continued from p. 34)

have sternly refused to let us base conventional forces in their nations.

We do not know whether the Soviets will fight for the Gulf, though the risk is clear. Given the Iranian invasion of Iraq, the threat that the Holy War in Iran will spread to the Gulf is much greater. Do we have the forces on hand to stop such a war? Very likely, if we are willing to see many thousands of our sons killed and to spend hundreds of billions that we could spend on alternative energy supplies with no loss of life.

Besides, the Iranians today are in fact steadily *increasing* the supply of oil to the West. The OPEC Arabs of the Gulf are trying to decrease their supply to keep prices up. The Iranians are bitterly anti-Soviet and are systematically executing some pro-Soviet Iranian leftists and curtailing the operations of the Iranian Communist Tudeh party. A union of Gulf nations led by Iran *might* be immensely more effective as a bulwark against Soviet expansion and a supplier of more and cheaper oil to the West. Little wonder the Soviets are opposing the Iranian invasion of their ally, Iraq, with greatly increased arms shipments. A divided Gulf is far better for them than one powerful foe.

There is little chance the American public will support any enforcement of this doctrine. But there is a serious danger that our leaders, increasingly isolated in their bunkers of power on the Potomac and misled by general public support of rearmament, may make the same fatal miscalculations of the popular will that the Johnson administration did. In some future crisis situation, this could combine with their desire to save face by not reneging on their pledge to produce some rapid deployment of our forces in the Gulf. By the time public outrage was organized, we might already be faced with another Vietnam-style debacle—or even a major war with the Soviets from which we could not back down.

The American people want rearmament to *protect them* and the country's vital interests, not the OPEC cartel. Our leaders must recognize the fact—"We Will Not Go!"—and exorcise the national nightmare threatened by the Carter-Reagan Doctrine and our almost secret military build-up in the region. ◻

Jack Douglas teaches sociology at the University of California, San Diego.

VIEWPOINT

The Pollyanna Prejudice

BY JAMES DALE DAVIDSON

Since there are few mental attributes more rare than the judicial faculty which can sit in intelligent judgment between two sides of a question, of which only one is represented by an advocate before it, truth has no chance but in proportion as every side of it, every opinion which embodies any faction of the truth, not only finds advocates, but is so advanced as to be listened to.

—JOHN STUART MILL

For the better part of three years, I have been circulating a book proposal—no, several book proposals, under different titles, all of which aim to do the same thing: explain. Explain why politics malfunctions, why freedom is contracting, why there is a danger of economic decline for a long time to come.

I should say that I am really talking here about just one book—I have simply had to concoct one outline after another in an attempt to fine one that is commercially acceptable. It has been like trying to disguise a skunk in *couturier* fashions. I've made it more historical, more abstract, more sweeping, more narrow. Nothing worked. The basic nature of the animal kept showing through.

To have gone any further, I'd have had to make my ever-patient agent blush. I can see him now making the pitch. "Here's this new outline I was telling you about: 'How to Have a Firm Bottom Before Government Destroys the Economy.' Or if you don't like that, here's another by the same author: 'Thirty Recipes for Cheesecake That Won't Make You Fat until Free Trade Collapses.' "

If you think that's a joke, you're right. But just barely. Editor after editor had the same reaction to my basic thesis: "That's very interesting stuff. Fascinating. But you don't expect me to publish it, do you?" There is a message here that is of importance to people other than my agent, my loving mother, and me: the distortion in the flow of ideas that arises because some viewpoints are taboo.

They are taboo not because they are boring, nor probably wrong, but precisely because they are probably right. In my case, the ideas I have been struggling to articulate explain a great deal about why the world's systems of government keep churning out such unsatisfactory results. But they also imply—no, state outright—that it is extremely difficult to achieve reform. It is difficult because political malfunction is a consequence of rational behavior. It happens because people are following their own interests in the political process, just as they do as buyers and sellers in the commercial realm.

In other words, it's not a freak happening that our macroeconomic condition is changing for the worse as government does its work. That's to be expected. It's what our constitutional rules prescribe. If so, representative government, in current forms, is like one of Calvin's lost souls, "born to be damned."

Not a very happy conclusion. It may be true. But if it is, most people don't want to know about it, or at least that's what editors think. Here is an actual comment lifted directly from an actual rejection letter signed by an actual New York publisher: "Provocative and challenging, but ultimately so negative that I have doubts about the market for the book." Others ran in the same vein.

I happen to believe that these people are wrong, that many Americans would read a book that promised to better explain developments that will alter the world in which they live. The interesting point here is not what I think, however, but what the editors of major publishing houses think. They believe that only a bare chemical trace of the reading population is emotionally capable of tolerating unhappy conclusions. Consequently, they won't publish nonfiction books that fall outside of those emotional bounds. Thus, the whole spectrum of political debate is foreshortened.

In this unnatural environment of forced optimism, the enthusiasts for what comes easily, like Senator Kennedy, prosper even more than they should by promising to "make government work." They are believable because great numbers of people cannot face the thought that they are wrong.

Even Ronald Reagan's greatest applause line in his State of the Union address was a proclamation that government must play a role in reinvigorating our economy. Although he later softened the statement, what was in the minds of all those cheering Republican members of Congress? Perhaps the thought that it is better to enjoy what necessity sends one's way than to see its grimy reality. In that respect, they may have been like the Jews forced down at Entebbe, who shamelessly applauded anyway, almost as if history's indignities could be transformed in a cheer. That's optimism or, to misquote Johnson, "the triumph of hope over experience."

I don't like it. And not just because it means that there is no market for some of my more interesting ideas. I don't like it because it is unlikable. Craven. It is the optimism of those who refuse to hear the alarm, not of those who man the pumps. It is the optimism of wimps, of the townspeople in *High Noon*, trembling behind the curtain, afraid to draw it back and face what is really happening.

Jim Davidson is founder and chairman of the National Taxpayers Union and author of The Squeeze.

Illustration by Susan Salladé

The New Drug Market

BY DURK PEARSON AND SANDY SHAW

There are three usual sources of drugs (defined as any substance that alters the body's biological function): (1) prescription, (2) over-the-counter (for example, aspirin), and (3) under-the-counter (for example, cannabis). In recent years, a growing alternative to these traditional sources has developed in the health food trade, in which vitamins and other nutrients plus other drugs are offered without seeking approval of the Food and Drug Administration.

Any vitamins sold at levels higher than can be obtained in a good diet may qualify technically as drugs, because the quantities required to catalyze certain metabolic reactions are quite small. Above these amounts, vitamins act as drugs. The same is true of other nutrients offered in health food stores; the doses may be high enough to permit unusual functions that ordinarily, because of limited dietary supply, are not possible.

Cysteine, for example, is a relatively scarce dietary amino acid. The best dietary source is eggs (each egg contains about a quarter gram). This amino acid is useful in a number of ways. It is required in many proteins, such as insulin; it acts as a potent antioxidant in the body; it also constitutes about 8 percent of human hair. Since cysteine is in such limited quantity in typical human diets, it is used by the body for the most important functions first. Hair is probably the very last to get its share. However, if a person supplements his or her diet with cysteine (see our *Life Extension: A Practical Scientific Approach*), it is possible for hair to have an abundance of cysteine. A person's head of hair may even be doubled in density.

The Proxmire Act of the early 1970s spared the vendors of vitamins and other nutrients the requirement that they obtain FDA approval before making these products available to consumers. Thus, drugs that are also nutrients are not necessarily subject to tight FDA restrictions that result in an average new drug taking 8-10 years and about $70 million to achieve approval and reach the marketplace.

There are other substances offered in health food stores, however, that constitute yet another category of drug: non-nutrient chemicals that never received FDA approval but seem to be offered with impunity nevertheless. A good example is DMSO. DMSO is not a nutrient. It was offered in health food and drug stores long before it received limited approval as a pharmaceutical (RIMSO-50® is listed in the 1982 *Physician's Desk Reference* and is FDA-approved only for "symptomatic relief of interstitial cystitis"). It continues to be offered without a prescription at the same type of stores.

Although the FDA has declared it illegal to continue to sell DMSO for drug use without a prescription, it has made no attempt to enforce its rule. In fact, it could not do so because it would never be able to shut down the small fly-by-night firms offering the material by mail order. And the cost of any attempt to sweep DMSO out of stores would be astronomical.

In a similar fashion, starch blockers were recently declared illegal (as an unapproved drug) by the FDA but continue to be offered widely. Canthaxanthin, wich is a natural carotenoid nutrient, is only approved in this country as a food-coloring agent but is sold, mostly by mail order, as a sun-tanning pill. Although the FDA alleges that this is illegal, it has not halted these sales. Yet another example is BHT, a synthetic antioxidant approved as a food additive but being sold all over the country for use against herpes infections (see our August 1982 column, "Hope for Herpes").

The marketing strategies of two would-be vendors of "sober up" products are discussed in the December 20, 1982, *Advertising Age*. One is proceeding with an application for FDA drug approval, while the other is redesigning the label and advertising to position it as a health food store nutrient supplement. Guess which product will be the first to reach the market?

As long as no claims are made on the label, it is possible to market these unapproved drugs. Books, other media, and health food store personnel make the claims that motivate consumers to buy these substances. The FDA's powers are limited. We recently saw DMSO that had been packaged in a deodorant roll-on style bottle. The marketers told us that the FDA required that they remove from the label the designation that the DMSO is 99.996 percent pure and that it had been purchased from a French pharmaceutical company, but the FDA couldn't make them change the dispensing bottle! What did the FDA accomplish? It is simply easier now for vendors of potentially hazardous industrial-grade DMSO to compete against the high-purity product that is no longer identifiable as such. The FDA claims that it is "protecting the consumer" by doing this.

We invite questions of general interest from our readers. Send your query along to REASON Health & Welfare, Box 40105, Santa Barbara, CA 93103. (A limited number of reader questions can be answered in print; personal replies cannot be made.)

What about future offerings? A prime substance to be sold in this fashion is a CCK nasal spray for weight control. CCK is cholecystokinin, a natural hypothalamic and gut hormone that is released after a meal to signal satiation. A rat given enough CCK will never eat, even with food piled up around it, and will eventually starve to death. On the other hand, preventing the release of CCK in a rat will result in the rat eating and eating until its gut explodes and it dies. Although it is known that CCK works as the satiation signal in humans, as well, more animal experiments and double-blind, placebo-controlled human clinical trials must be conducted to determine proper dose levels and safety factors for weight control. For people who are not eating enough, such as anorexia nervosa victims during the starvation phase, monoclonal antibodies against CCK might be an effective treatment.

We see, therefore, that a fourth source of drugs is rapidly emerging: new health food store offerings packaged without therapeutic label claims or package inserts, the labels merely stating the contents. This new development is not an unmixed blessing. Many such new products are worthless, and a few could even be hazardous (for example, vitamin E acetate capsules diluted with easily peroxidized polyunsaturated filler oils). Nevertheless, the FDA's approach to drug regulation is so bad that, in many respects, no regulation at all is preferable.

(Continued on p. 58)

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SPOTLIGHT

Orange Guerrilla

BY PATRICK COX

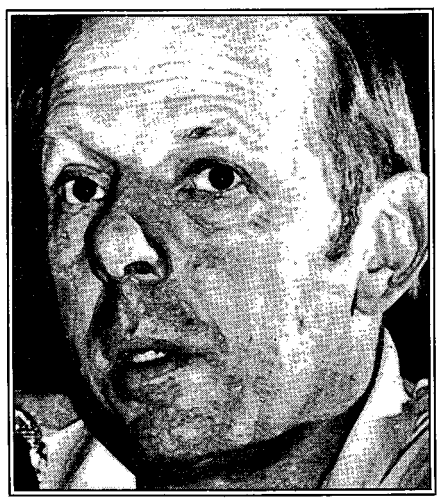
Rarely does an issue spotlight the absurdity of government-imposed solutions as clearly as the Depression-era hangover called the "marketing order." In the panic of the Great Depression, desperate central planners decided that agricultural producers should have the right to regulate the amount of a crop sold in order to guarantee growers' prices and a stable supply. It's legalized price fixing.

One man is thumbing his nose at the system of marketing orders and may actually topple it. Carl "Skip" Pescosolido, a good-natured orange grower in central California's San Joaquin Valley, has succeeded in embarrassing the US Department of Agriculture (USDA) by flaunting his disgust for marketing orders on oranges. Skip laughs as he throws monkey wrench after monkey wrench into the machinery that allows Sunkist—an agricultural cooperative that, with the help of USDA marketing orders, controls 75 percent of lemon and orange production in the western United States—to rob producers of their right to compete and consumers of the chance to buy cheaper oranges.

Looking at Pescosolido's background, I would not have picked him as the man to buck the system. He was raised in Ipswich, Massachusetts, and attended the 220-year-old Governor Dummer Academy, America's oldest boarding school. Continuing his way through the establishment's hallowed halls, he entered Harvard and emerged—*cum laude*—with a degree in theoretical economics. Remarkably, however, his faith in the free market survived.

"I have two great loves in my life," Pescosolido says, "my wife, Linda, whom I met when I was 17, and the San Joaquin Valley that I first saw in '71." A year after setting eyes on the valley, he left the family heating-oil business in Massachusetts and bought orchards in California. At first he joined the Sunkist co-op, but as he grew familiar with the system, his frustration increased. In 1974 Pescosolido and some friends founded Exeter Packing Company, independent of Sunkist. "I was stymied and constrained by the marketing order," he says, "which is actually an *anti*marketing order, because it doesn't let us sell our oranges."

"Stage two"—Pescosolido's evolution as a free-market rebel—came in 1979. He says that he then decided "to cut out the bitching" and do something. He entered a period of intense research into the history and laws concerning marketing orders, and in mid-1980 Pescosolido and a partner filed a complaint against the Department of Agriculture, as both growers and handlers.



CARL "SKIP" PESCOSOLIDO

Sunkist "was incensed by the overt criticism of the leadership of the system," he says, and asked the USDA to have the complaint declared invalid. In fact, the USDA disallowed the portion of the complaint dealing with grower problems. "There is no due process for growers," concludes Pescosolido. The horticulturist says there is no hope of changing the system through the political process—the special interests are too powerful. So he is going through the courts. In 1981 he filed a $191-million suit against the secretary of Agriculture for business damages from unconstitutional marketing contraints.

Two years ago, "in a fit of rage and frustration," Pescosolido started giving away oranges he was not allowed to sell—a move that was widely reported in the news. Charitable contributions are exempt from regulation by marketing orders, but most contributions are small, only a few boxes at a time. Pescosolido gave away truckloads.

Of course, that many oranges in public hands, even the hands of charity, could conceivably lower prices. So, says Pescosolido, "the feds descended." The USDA decided to prosecute Exeter, but there was a public outcry. Even the marketing orders could not withstand the criticism of many angry people. San Francisco's USDA spokesman explained to a reporter why that many oranges shouldn't be given away. "Young lady," he said, "you just don't understand. People don't need to eat oranges—they can take vitamins."

The USDA finally backed down, and Pescosolido is still giving oranges away. According to him, it is just one way of redressing the injustice imposed on the poor, who cannot afford the cartel's artificially high prices.

More recently, the rural guerrilla took advantage of Jimmy Carter's Paperwork Reduction Act, by which all forms that the government requires from citizens must have printed on them an official number. The orange marketing board had ignored this requirement. So on January 1, 1982, Pescosolido stopped filing shipment records—the USDA had no way of telling how much he was selling. When the marketing board realized what was going on, it issued a number but neglected to print it on the forms. Pescosolido kept refusing to file. And since no law required him to save shipment records, he destroyed them.

For half a year, he sold as many oranges as he wanted. The USDA filed a suit against him, which he expects to win. But the money he earned by using legal loopholes has not made up for the legal expenses incurred in battling the system, he says, though the Capital Legal Foundation recently joined his struggle.

Pescosolido recently joined with dissident hops growers—also under marketing-order restrictions—to help "dynamite the system," and he has been asked to help reorganize the free-market agriculture program at the University of California at Davis. This guy is looking for trouble, and he loves it.

Patrick Cox is a free-lance writer, a frequent guest columnist for USA Today, *and public affairs director of the Pacific Institute for Public Policy Research.*

Photograph by Wide World

MONEY

Pecuniary Prudence

BY STEVEN K. BECKNER

The year just past was pretty miserable for the economy, but ironically it was largely profitable for investors. Calendar year 1982 saw unemployment mount steadily and economic growth come to a standstill. Indeed, it went in reverse by one percent. But it was a good year, broadly speaking, to hold stocks, bonds, and precious metals. It was also a very good year for simply earning interest.

From the first trading day of January 1982 through the close of trading on December 31, the Dow Jones Industrial Average rose more than 19 percent, even after falling 24 points from its December 27 high of 1070.55. Other measures of the stock market reflected this fairly impressive performance. The Nasdaq Composite index of over-the-counter stocks also rose more than 19 percent, while the Standard & Poor's Composite rose 15.25 percent.

It was an even better year for bonds. As interest rates fell during the year, long-term government bond prices rose 24.9 percent through December 1, according to Salomon Brothers. High-grade corporate bonds rose 29.27 percent during the same period.

Meanwhile, those who did not want to take risks in stocks and bonds did very well just earning interest on deposits. Even after the collapse of interest rates in the latter half of 1982, rates of return remained quite respectable. At year-end, some money market funds were still paying over 10 percent, and at least one of the new bank money market accounts was paying 12 percent.

Precious metals also performed surprisingly well in a climate of diminishing inflation. Gold rose 15.2 percent, to $456.90 per ounce on December 30, after reaching $462.50 a few days earlier. Silver did even better, appreciating 35.7 percent over the year, to $10.90 per ounce. It had hit a yearly high of $11.20 only days before New Year's. At one point during the late summer, gold threatened to break through the $500 level again, but silver reserved its big push for year-end.

These performance statistics for different investments are all the more impressive and meaningful because of the dramatic reduction in the inflation rate over the past year. An inflation rate of 3.9 percent made the real rate of return on all investments higher.

Of course, not all investments did well. Most commodity prices suffered, as did real estate prices. Then, too, just because stocks or other assets rose by a certain amount from January to December doesn't mean that your particular portfolio did that well. You may have done better or worse, depending on what you bought and when. It was a year of dramatic fluctuations. Stocks, as measured by the Dow index, traded in a 300-point range. Gold fluctuated within a band of nearly $200 per ounce. They were treacherous but interesting investment waters.

Well, what about 1983? The one thing that this year will likely have in common with 1982 is a great deal of economic uncertainty and, hence, market unpredictability. But that's nothing new. Amid growing signals of economic recovery, the stock market at year-end seemed poised to ratchet up further—or collapse, depending on which analyst you listened to. Although the market had risen at one recent point by nearly 300 points since August, even the most bullish stock traders were reluctant to pronounce it a "bull market." Most people persisted in calling it a "rally."

Barely two weeks before the Dow jumped to a record high of 1070.55 in early January (since surpassed), the bulls seemed to be on the run, as the index plummeted briefly below 1000. Once again, the shorts were foiled, and the market rallied. But how much longer the bears can be held at bay is unclear. The watchword is *caution.*

Bonds could be the best bet if, as seems likely, interest rates continue to fall. High-technology companies, as well as companies that make building products, are good stock bets once the recovery gets under way in earnest and the bears on Wall Street are finally routed. The answer meanwhile is to stay liquid and balanced. There is still some good, low-risk interest to be made. Use the new, competitive (and insured) money market accounts to remain liquid. When you're ready to invest, take a balanced stance. Divide your funds among securities in different industries. Mutual funds are good tools for doing this. Stock options and, soon, options on stock index futures are a further way of limiting risks.

Precious metals are a crapshoot, short-term. Inflation is not likely to rise enough to make gold and silver really soar in the first half of the year, although political events around the world could. The Federal Reserve seems to be doing its best to reheat inflation, but the economy is too weak to permit that just yet. Longer term, however, precious metals at these prices will prove to be very good hedge investments—and maybe sooner than we think. If, instead of the "moderate" recovery nearly everyone is expecting, we get rapid economic growth (not difficult given the low starting point), we could see the beginnings of a new round of inflation.

The Federal Reserve's expansive credit policy encourages powerful market elements (business and labor) to increase prices as business and consumer demand picks up. Other stimuli include the Fed's aggressive lowering of interest rates and the advent, at last, of a real tax cut in July. The Fed will find it difficult to return to monetary restraint, even if it wants to, because of looming budget deficits, estimated as high as $200 billion. Monetary restraint under such adverse fiscal conditions would mean forcing interest rates back up and killing off the nascent recovery. For all these reasons, it's anything but clear that we are in a long-term disinflationary cycle.

It's not certain that inflation is going to accelerate late this year or next year, but it's a strong possibility. One advance indicator may be the recent strength of precious metals and "hard" foreign currencies. After several years in the doldrums, the tide may be turning back in favor of hard money.

Do you have an investment question? Mr. Beckner may have the answer. Send your query along to REASON Money, Box 40105, Santa Barbara, CA 93103. (A limited number of reader questions can be answered in print; personal replies cannot be made.)

Steve Beckner is a financial reporter and columnist for the Washington Times *and the author of* The Hard Money Book.

arts & letters

MOVIES

Reviewed by John Hospers

Sophie's Choice

To anyone who has read William Styron's fine novel *Sophie's Choice*, the film, which follows the book closely, will contain few surprises. To anyone who has not read the book, the film will be not only a vivid revelation of character but an excursion into recent history that is absorbing, disturbing, even shattering.

Many of the most memorable aspects of the book are happily preserved intact in the film: the highly literate quality of the language; the hopeless passionate love affair between Sophie and the paranoid schizophrenic Nathan; the strains of symphonic music drifting down the stairway in the pink Brooklyn house, followed by either a passionate love scene or a violent quarrel; the scenes of stupefying brutality in the concentration camp; the cruelty and at the same time the stifled humanity of the Nazi commandant (the commandant's little girl, after calling Sophie a stinking Pole, administers first aid when she faints and proudly shows her her scrapbook). Nor is the spatial juxtaposition of the concentration camp, with the emaciated hands stretched out from barred windows, and the luxurious life of the officers and their families in the neighboring compound lost upon the viewer, any more than it was upon the reader.

Grateful as we are to have this book rendered so faithfully in the film (some scenes and a few characters are omitted), there are also disadvantages in filming it with such fidelity. Sophie's revelations about life in Poland (such as her father's true nature and its effect on her) occur bit by bit in the book, giving us one clue at a time as to the real cause of her mental disturbance. In the film this would have required a large number of brief and possibly confusing flashbacks, and so the concentration camp scenes have been presented in one half-hour flashback (filmed in black and white); this device, while cinematically necessary, dilutes the feeling of progressive revelation and dramatic inevitability. Some scenes that were a welcome counterpoint in the book, such as Stingo's attempted sexual encounter with the wealthy protected Jewish girl, are humorless in the film and seem irrelevant. There is a mounting tension in the novel which, together with the author's stylistic intensity makes the book impossible to put down even for a moment, whereas the film, though full of dramatic incident, lacks some of the book's cumulative power. But the culminating scene of

Meryl Streep and Kevin Kline in Sophie's Choice

mind-blowing horror that lends the book its title is given full play in the film with undiminished impact.

Thanks for this are due not only to the finely wrought script and taut direction of Alan Pakula but to the near-miraculous performance of Meryl Streep, who captures the Polish accent, the nuances of facial expression, and the ambiance of a sensuous, intelligent, deeply disturbed woman in as fine a performance in the role as could be imagined. Kevin Kline as Nathan does a virtuoso performance as the disturbed intellectual, benevolent and manic and crazed with anger by turns; if the characterization seems implausible to some viewers, it is because such persons defy belief even in real life. The comparatively vanilla-flavored character of the author, played by Peter MacNicol, is done as well as could be expected, though he has little to do besides being an onlooker to the tempestuous principals.

But the film belongs to Meryl Streep, in her subtlest and most complex performance to date. Time and again the camera lingers on her face, like a kaleidoscope registering every nuance of emotionality. In the scenes in Brooklyn, her face has an almost luminous radiance, hardly recognizable as belonging to the person in the Polish concentration camp. If the film is not easy to forget, it is largely because of her performance, as well as the rendition of the novel's powerful and tragic story.

Forty-Eight Hours

One has come to expect coiled-spring tension from the films of Walter Hill. *The Warriors* made him famous, and *Southern Comfort* was a superior follow-up. Now comes *Forty-Eight Hours*, a tour de force of mixed merits. Nick Nolte plays an offbeat (would-be?) cop and Eddie Murphy an unwilling sidekick who is pulled out of jail to help Nolte find two multiple killers.

The characterizations develop nicely and sustain some interest, but the plot sags. The outcome is predictable from the start, and as if sensing this, the director has included much comic diversion along the way—so much, in fact, that the tension, along with the plausibility of the story, disappears along the way in deference to the fun and games. The Murphy character is fun without a doubt, but the film in which the characterization occurs turns out to be neither fish, flesh, nor fowl.

John Hospers is the author of Understanding the Arts. *He teaches philosophy at the University of Southern California.*

THE BEST OF '82

1. GANDHI
2. MOONLIGHTING
3. THE CHOSEN
4. MEPHISTO
5. DAS BOOT
6. THE VERDICT
7. DINER
8. TOOTSIE
9. SOPHIE'S CHOICE
10. TIME STANDS STILL

Best actress
Meryl Streep, *Sophie's Choice*
Best actor
Ben Kingsley, *Gandhi*
Best director
Sidney Lumet, *The Verdict*

—J. H.

BOOKS

Beware the Atari Conservatives

The Economy in Mind
By Warren T. Brookes
New York: Universe Books.
1982. 256 pp. $15.95.

Reviewed by Joe Cobb

Twenty years ago, the "conservative movement" consisted of two branches, the traditionalists and the libertarians, who cooperated agreeably against the common foe—the welfare-state liberal—without much friction. Some issues emerged during the decade of the 1960s to set off the libertarians, many of whom today condemn conservatives; but many other libertarians still find no important controversies with conservatives.

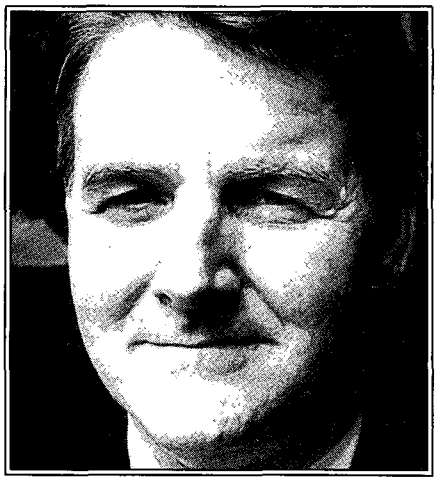
This amiability is being tested once again. The "neo-conservatives" seem to have discovered the dynamic power of the free market to solve social and human problems. Traditionalist conservatives in the 1960s were tolerant of the free market—in William F. Buckley's words, it was, after all, part of the American tradition. But it was the libertarian movement that found in the free market an expression of the ethical foundation for society: individual rights and freedom of choice.

The neo-conservatives, exemplified by Irving Kristol (*Two Cheers for Capitalism*), George Gilder (*Wealth and Poverty*) and now Warren T. Brookes with *The Economy in Mind*, have decided to claim the free market as their own. Yet this thrust is not something libertarians should be happy about; indeed, something very important is about to be lost. Close readers will even notice that Brookes identifies lawlessness and immorality with the label "libertarian."

Brookes's treatment of the market economy is essentially a collectivist approach. Yes, he celebrates the Laffer curve and the other well-known proofs that production-incentive ("supply-side") economics is superior to redistributive and regulatory policies by government. But his philosophy for doing so has nothing to do with individual rights and freedom of choice. To Brookes, as to Gilder, the success of production-incentive economics is due to the metaphysical universe—a mystical process that rewards people of good spirit and punishes people of mean spirit. This, to him, is why the "economy" is in the "mind" rather than in the real world.

As one who grew up in the midwest and was schooled at the University of Chicago, I can't help but think that this nonsense is some kind of East Coast, apostate-socialist myopia. There are repeated references, both in Brookes's *Economy in Mind* and in Gilder's book, to the "materialist" view of "rational" socialists. As if in contrast to this, the neo-conservatives have now invented an irrationalist justification for capitalism. (*The Economy in Mind* reads like a tract published by *Christian Economics*.)

Their mistake has been to concede the label and implicitly the field of rational, or critical, thought to those genuinely irrational schools that have long advocated



Warren T. Brookes

central economic planning and manipulation of the free market in the name of "rationalism." This is like conceding the realm of human rights to the Soviets just because they have included some "social rights" in their written constitution—and then trying to justify the Jeffersonian or Lockean system on the ground of some moral superiority of agrarianism.

In other ways, Brookes seems to resemble the "Atari Democrats" like Jerry Brown and Gary Hart—the ones who tell us that high technology is the solution to all of our problems, and therefore public policy should *subsidize* the winners. Brookes's version of this, which might be called "Atari Conservatism," is that positive-thinking, devout, family-oriented computer programmers are going to remake the world (just as they have remade Massachusetts, as implied in his eighth chapter).

The Economy in Mind by Warren T. Brookes might find its way onto the best seller list, and if it does I won't object. It is filled with documentation about the superiority of production-incentive economics. Since most people would be receptive to his arguments that God wants mankind to prosper, the book might become a tool in the kit of the Moral Majority—and that would be better than the other trend, toward protectionism and nativism, that Howard Phillips and Richard Viguerie have recently espoused.

Yet, to one who has read the books of Henry Hazlitt, Ludwig von Mises, F. A. Hayek, Milton Friedman, and dozens of other great free-market, *individualist* economists, the justification that Brookes gives for the success of capitalism—and his underlying collectivistic view that "society" and "public morality" can be invoked against individual sovereignty—is just a touch repelling to this reviewer.

Joe Cobb is a contributing editor of REASON *and a founder of the US Choice in Currency Commission.*

Shaky Foundation, Overbuilt Solution

America in Ruins: Beyond the Public Works Pork Barrel.
By Pat Choate and Susan Walter
Washington, D.C.: The Council of State Planning Agencies. 1981. 97 pp. $9.95.

Reviewed by Steve H. Hanke

America in Ruins, although a rather thin volume, might well prove to be one of the most influential books of this decade. *Fortune* reported recently that it has already been translated into Japanese and will soon be produced in a mass-market edition for the United States.

Choate and Walter, both former public-sector planners, are now private-sector bureaucrats; Choate is a senior economic policy analyst with TRW, in Washington, and Walter works as a liaison with state governments for General Electric. The authors' thesis is devastatingly simple: given the decrepit state of the nation's infrastructure, our future infrastructure "needs," and the existing methods and levels of infrastructure funding, we face an infrastructure famine that threatens to become a critical bottleneck to national economic renewal.

Choate and Walter's solution is also simple and straightforward: to avert the

coming famine, we must funnel more resources into public works; to ensure that these resources are wisely used, we must institute better public planning, with a so-called capital budget; and we must not forget a financing scheme—they recommend a new National Public Works Bank that would, among other things, guarantee state and local public infrastructure debt issues.

By manipulating data and mixing them with a few horror stories about falling bridges, sewage treatment plants that don't work, crumbling roads, etc., the authors have effectively given the impression that there is a current crisis. They have also convinced many that if we stay on the same course, we will certainly face an infrastructure famine in the future.

Famine is an old melody, and regardless of the words that accompany it, it always plays well with interventionists of all varieties. Just review the impact that Choate and Walter have already had:

- In the last two years their book has been widely—and favorably—reviewed and quoted.
- The House Democratic Caucus has embraced the famine hypothesis in *Rebuilding the Road to Opportunity: Turning Point for America's Economy.*
- The big banks, always interested in government guarantees, have not allowed the infrastructure opportunity to pass them by. They, too, are warning of an impending infrastructure famine.
- Needless to say, there is a long list of "professional" organizations, with representatives in Washington, that have begun to sing Choate and Walter's song.
- All this harmony has caught the ear of more than one politician: Sens. Daniel Patrick Moynihan (D-N.Y.) and Gary Hart (D-Colo.) have introduced legislation that would require an inventory of our public works; and in the House, Reps. William Clinger (R-Pa.), Robert Edgar (D-Pa.), and James Oberstar (D-Minn.) have sponsored a bill that would require not only an inventory but also a federal capital budget or, in less technical language, a public works wish list.

The "infrastructure famine," however, is a house of cards. Even Choate has admitted in an interview in *Fortune* in December 1982, that his "data are atrocious."

So what, if anything, can be done to avoid Choate and Walter's snake oil? We must convince President Reagan to return to his original goals of cutting budgets (public works subsidies) and taxes, since these policies will encourage the privatization of so-called public works and services. By eliminating federal subsidies, the glow of public provision begins to fade. By increasing tax benefits (reducing taxes) on private investments, private provision becomes more viable. As a result of these two policies, we will be able to privatize and to capture the inherent cost advantages and efficiencies associated with private supply. And, as we all know, the private provision of goods and services does not lead to famine.

To demonstrate the effectiveness of budget and tax cuts in promoting privatization, we need only examine what is happening in the wastewater field. The US Environmental Protection Agency's Construction Grants Program has been the largest federally funded public works program in our nation's history. But the Construction Grants Amendments of 1981, signed by the president on December 29 of that year, act to reduce and restrict the subsidies from the federal government to state and local public bodies responsible for supplying wastewater services. These amendments, therefore, reduce but do not eliminate the perceived advantage associated with the public provision of wastewater services.

Subsidies are not the end of the story, however. The Economic Recovery Tax Act of 1981, through its accelerated cost-recovery system and investment tax credit provisions, acts to reduce tax liabilities associated with all private investments. The act allows for a reduction in the before-tax rate of return required to yield a given after-tax rate of return. This translates into lower prices for goods and services produced by private investments.

The arithmetic of reduced subsidies for public facilities and increased tax benefits on all private investments tilts the balance toward privatization. The key factor that tips the balance is the inherent cost advantages associated with the private supply of so-called public services. As pointed out by James Bennett and Manuel Johnson in *Better Government at Half the Price*, the real resource costs of providing services are

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from 30 to 50 percent less with private supply than with public supply. Let's give the president credit; his policies have laid the foundation for a sharp shift toward the privatization of wastewater services.

To avoid the predicted infrastructure famine, we must encourage President Reagan to return to his original policies of cutting federal subsidies and taxes. For it is these policies that will encourage privatization. And it is privatization that will benefit us all by eliminating the public-works pork barrel and capitalizing on the real cost advantages of private supply.

Steve Hanke is professor of applied economics at Johns Hopkins University and served on the President's Council of Economic Advisers until mid-1982.

How Rosy Is the Silver Picture?

Silver Profits in the Eighties
By Jerome Smith
New York: Books in Focus.
1982. 212 pp. $16.95.

Reviewed by Steven K. Beckner

Ten years after the publication of his prophetic book, *Silver Profits in the Seventies*, Jerome Smith has come out with a sequel, aptly titled *Silver Profits in the Eighties*. Whether this book will prove as far-sighted as the last one is questionable, given Smith's near-term prediction for $100-per-ounce silver and even higher prices beyond.

Coming out as it did when silver was below $10 an ounce and, at one point a few months ago, below $5 an ounce, compared to its January 1980 high of $52, Smith's book certainly hit the market at the right time. Whether or not his ambitious price forecasts are to be believed, readers who buy at current levels could hardly go wrong in the long run.

But caution is needed in reading *Silver Profits in the Eighties*. For this book filled with charts and tables makes some questionable assertions.

The thrust of Smith's argument, now as 10 years ago, is that demand for silver is rising and supply is falling. It is true that since 1946 there has been a gap of 100-150 million ounces between silver consumption and new silver production. But that gap has always been filled by above-ground supplies. It is true that available supplies, including new production, are becoming increasingly strained. But Smith goes too far in asserting, "There are no longer any sizable hoards of silver in the world."

In fact, a Bureau of Mines study, prepared by private consultants and for some reason not publicly released, estimated that in the United States alone there are private silver stocks amounting to 2.5 billion ounces. That's in addition to the government's 140-million-ounce stockpile.

Smith also contends that India, long a great source of smuggled silver, is drying up. It could be, but he would find plenty of argument to the contrary. Some experts estimate that there are probably still 3 to 4 billion ounces of the metal in India. That's a lot of silver.

The other side of the coin, according to Smith, is that silver demand is steady, if not rising. Curiously, in a large section devoted to gold, Smith stresses slackened demand for gold, thus buttressing his point that the gold-silver price ratio is out of alignment. But he fails to take account of similar evidence of slackened demand for silver.

In 1981, according to the latest adjusted figures from the Bureau of Mines, US silver consumption, at 117 million ounces, was at its lowest since 1963. It was even lower than in 1980, considered a black year for the white metal. Consumption for the first half of 1982 was up about 7 million ounces from the same period the previous year—encouraging, but hardly exciting. And total 1982 consumption was still far below the peak consumption year of 1973, when the United States used 196 million ounces.

None of this means, of course, that silver prices aren't due to rise. Smith's valuable discussion of the history of price relationships among the precious metals and much of his other information, however flawed it is on occasion, leads one to the inescapable conclusion that silver is undervalued. But don't hold your breath waiting for $100 silver.

Steve Beckner is the author of The Hard Money Book *and a reporter and columnist for the* Washington Times.

Anarchism Argued

The Ethics of Liberty
By Murray N. Rothbard
Atlantic Highlands, New Jersey:
Humanities Press. 1982. 278 pp. $15.95.

Reviewed by Lester H. Hunt

Most readers only read books, but sometimes it is necessary to read the authors of those books instead. I realized this years ago when I read the works of the poet Shelley for the first time. Read by itself, "Ozymandias" is simply, as we remember it from high school, another treatment of the vanity-of-human-wishes theme, warmed up with a bit of irony; but put it next to something like "Prometheus Unbound" and you see at once that it is *also* a bitter indictment of the arrogance of power, hurled in the face of tyranny by one of the few true anarchists who ever lived. Many of Shelley's verses are like this: their greatness only shows up when they are connected with his other writings.

I suspect that this larger, organic point of view is the proper one to take in read-

COMING ATTRACTIONS

Anniversary Blockbuster: Celebrate REASON's 15th year of publication with our May anniversary issue. Start with our investigative article on a new—and private—development in air traffic control, another chapter in REASON's coverage of safety in the skies. We'll also be featuring award-winning journalist **William Tucker** on environmentalists and property rights and philosopher **Tibor Machan** with insights on capitalism and morality.

In a special anniversary section, Contributing Editors **Thomas Szasz** and **John Hospers**, along with supply-side economist **Arthur Laffer**, will review various developments that may enhance our prospects for liberty in the years ahead. A special anniversary interview with Editor-in-Chief **Robert Poole** will give you a chance to get acquainted with REASON's man at the helm. Some of our foreign correspondents will fill you in on the state of freedom around the world. And, we'll take you back through time and replay some choice moments in REASON's history.

ing Professor Rothbard's *Ethics of Liberty*. Its value is mainly a matter of how it works as a part of the Rothbardian corpus as a whole. Though he is an economist by training, the ultimate basis for the form of anarchism Rothbard defends is not economic but moral. As Rothbard

Murray N. Rothbard

has indicated in a number of his writings, his anarchism is based on a theory of natural law like the one defended in the 13th century by Thomas Aquinas. In this book, he connects his natural-law views with his anarchism by linking both these ideas with various other conceptions—such as his well-known doctrine that all rights are property rights—and in so doing systematically develops the foundation of the body of ideas he has applied with such interesting results in so many other works. For this reason, for those readers who are already interested in his other writings, this one is bound to be of interest.

Especially interesting, I think, is the way he develops his propertarian view of rights by applying it to many concrete moral issues in the second part of this book. There he attempts to show that only the standard of property is sufficiently clear to dispel the various puzzles, antinomies, and confusions in the theory of rights that cluster around such issues as the "crowded theater" objection to unlimited free speech, the perplexing notion of a "right to privacy," the legal question whether "purchase breaks hire," and those "lifeboat situations" in which the most desperate interests of human beings come into conflict. He argues in each case that problems only arise if we assume that there is some right that cannot be seen, in his manner, as a property right. While it is easy to cavil with him on a case-by-case basis, I found the cumulative effect of these arguments a powerful one.

Nonetheless, I suspect that readers who are not already interested in Rothbard's other works—and fundamentally in sympathy with his position—are liable to find this book disappointing. This is mainly because, since such readers will probably disagree with him on a number of issues, they will naturally expect the author to try to convince them that they should agree rather than disagree, and Rothbard often does not seem to be trying to do this.

To take what must be the most striking single instance, a reader who does not know Rothbard's other works is liable to disagree with his anarchism. As if to convince the reader of its merits, the author bases his anarchism on the doctrine of natural law. Unfortunately, this doctrine, nowadays, is almost as unpopular as anarchism, and such a reader is also liable to disagree with it. And Professor Rothbard does not try to prove that this doctrine itself is true. To show that one unpopular idea follows from another one may be perfectly good logic, but it makes poor rhetoric: it is unlikely to bring in those who are not in the fold already.

The dismay of the non-Rothbardian reader is likely to be compounded when the author states that his version of the natural law doctrine also implies quite a few other things with which he is likely to disagree: as, for instance, that parents own their children and have no obligation to feed and clothe them, that blackmail (as well as libel and slander) should not be prohibited by law, or that employment contracts in which someone commits himself to work for someone else for a specified period of time are illegitimate and should not be enforced.

Of course, the doctrine of natural rights is not by any means the only justification Rothbard gives for his conclusions. There are a good many arguments in this book, and the reader who does not agree with the author's most basic assumption certainly does not go away empty-handed. The remarkable consistency of his ideas, by itself, would give them some plausibility, even if nothing else did. Still, for non-Rothbardian readers, there are probably too many times when, as the argument proceeds from one step to the next, they wish more had been said.

For instance, in discussing which sorts of threatening (as opposed to overtly violent) behavior ought to be prohibited by a legal system, Rothbard says that

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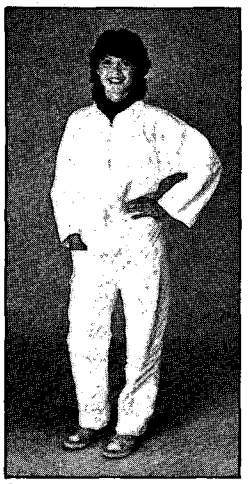

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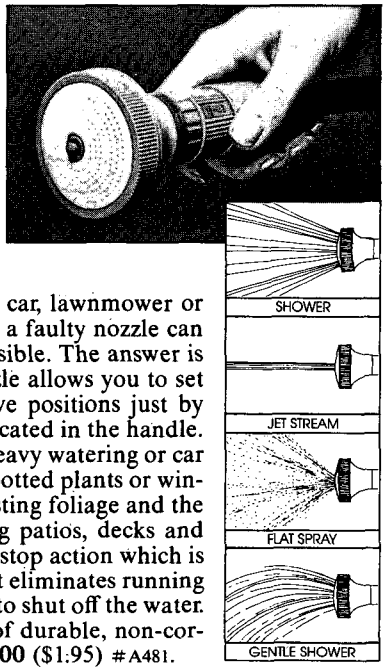
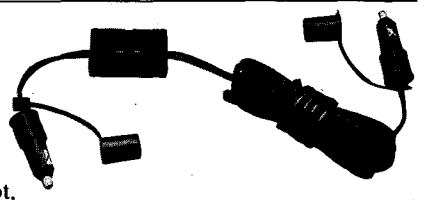
Meatpackers, vitamin-makers, electronics workers, spray-painters—many kinds of workers wear coveralls on the job. That need has given rise to a new kind of garment made from polyethylene fibers that are spunbonded together. The result is not a film, a fabric or paper—though it combines good qualities of all three materials. These plastic-chic coveralls are surprisingly durable and resistant to punctures and tears, can be washed and reused, are light (under 6 oz.), hold out moisture and splashes (better against water-base liquids than oil-base), and cost a fraction of normal cloth coveralls. They make perfect sense for the homeowner or do-it-yourselfer, a way to save your clothes from dirty or nasty work: clean-ups, painting, repairs, attic and basement, gardening and so on. We are offering the coveralls in sets of two: order two mediums #A669, two larges #A670 or one medium and one large #A671. Each set of coveralls costs **$15.00** ($2.95). These coveralls are white (high visibility if you have to change a tire on your way to a dinner party), double sewn with full-length zipper, 3 pockets and elasticized waistband. Sizes are men's medium or large (since the material does not ravel, arms and legs can be cut to exact length with scissors). It is a smart way to protect yourself from the grime of your labors.

Flow Control Hose Nozzle



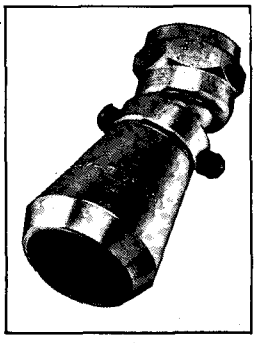
The biggest problem with most hose nozzles is getting and maintaining the desired water flow. Too much water pressure can damage plants, too little and your plants aren't adequately watered. For other jobs, like washing the car, lawnmower or cleaning your house gutters, a faulty nozzle can make the task all but impossible. The answer is Nozzle Five. This hose nozzle allows you to set the water flow to any of five positions just by turning the slider controls located in the handle. Use the shower setting for heavy watering or car washing, gentle shower for potted plants or window boxes, flat spray for misting foliage and the jet stream for force cleaning patios, decks and gutters. The fifth setting is a stop action which is especially convenient since it eliminates running back and forth to the faucet to shut off the water. Nozzle Five is constructed of durable, non-corrosive plastic and costs **$11.00** ($1.95) #A481.

Beyond Jumper Cables



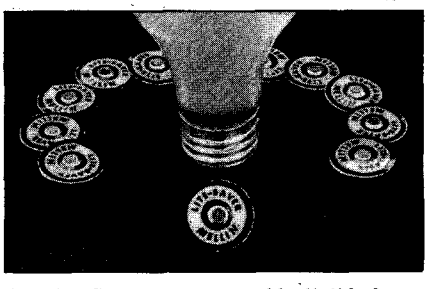
Your car battery is dead. How would you like to recharge the battery and start the car *without ever even opening the hood?* Sound impossible? It's not, thanks to the Easy Charge, which takes the old idea of jumper cables and refines it to a new level of ease, convenience and safety. With traditional jumper cables you have to maneuver a second car fender-to-fender with the disabled car, open both hoods, and attach leads from battery to battery. The Easy Charge simplifies this process brilliantly by substituting connection from cigarette lighter to cigarette lighter. You just plug one end of the Easy Charge into the lighter of a running car, pass the 16′ cord through both car windows and insert the other end in the lighter of the disabled car. A trickle charge immediately starts flowing into the dead battery. After a few minutes' wait the battery is recharged sufficiently to restart the car. The Easy Charge comes in a handy plastic storage envelope, is small enough to fit in the glove compartment and costs just **$20.00** ($2.95) #A629.

Savings In The Shower



This finely crafted shower head called the Deluxe Fuel Saver, cuts the use of water—hot water—in the shower from 5 or 8 to 2.45 gallons per minute. With the conventional shower head, the average family of four uses 300 to 400 gallons of water—much of it heated—everyday. According to U.S. Department of Energy figures, with the Deluxe Fuel Saver that same family uses 70% less water in the shower and realizes a savings of between $150 and $350 depending on the utility rates. The Deluxe Fuel Saver also offers a "trickle valve" that allows you to stop water flow while soaping up. Made of chrome-plated solid brass, the Deluxe Fuel Saver is accompanied by a one-year limited warranty. It installs easily over the standard ½″ shower arm with pliers or a wrench—no plumber is needed. We offer the Con-Serv Deluxe Fuel Saver for **$16.00** ($2.95) #A351.

Lite-Savers



If you're tired of climbing ladders and getting into precarious (often dangerous) positions to change an out of the way light bulb then you should know about Mellin Lite-Savers. Adhered to the base of any *one way* bulb the Lite-Savers can extend bulb life from 50 to 100 times! Just think of the money saved in light bulbs! Most bulbs have a rated life of 750 hours or 32 days if used continuously. With Lite-Savers your bulbs will burn up to 75,000 hours or about eight years if used 24 hours a day. They're ideal for hallways, staircases, or anyplace where replacing light bulbs is a time consuming nuisance. You'll notice that Lite-Savers reduce light output so you may want to increase bulb wattage. They're safe, dependable and install quickly and easily with any one way bulb. The manufacturer offers a limited eight year warranty. We offer the Lite-Savers in a package of 6 for **$17.00** ($1.95) #A548, 12 for **$27.00** ($2.95) #A549 or 24 for **$49.00** ($3.95) #A642.

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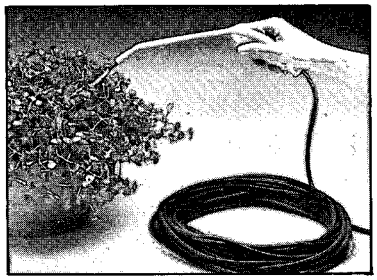
Watering Whiz



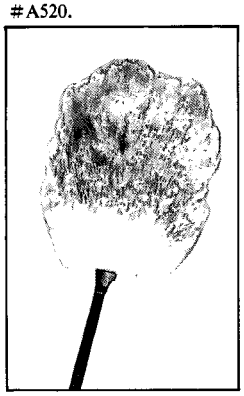
Do your houseplants run you raggad, back and forth, trip after trip, watering can in hand? There is an easier way: with an indoor garden hose you can water them all in a single trip. This 50′ vinyl hose comes complete with a set of four adaptors that readily attach to most indoor and outdoor faucets. From there you just take the water where you want it—an easy-control handle allows you to turn a splashless stream of water on and off as needed. This indoor hose comes with a snap-in misting attachment, so after you water the roots you can spray the foliage and wash away the dust accumulation that impairs a plant's health as well as its beauty. The indoor garden hose kit costs just **$11.00** ($1.95) #A681.

Supercloth

This cloth is so versatile that you can wash dishes with it, then turn around and dry them all too. It is made of a synthetic material with a microporous open cell structure that sucks water up fast and squeezes out in a breeze. For almost all around-the-house mopping up or drying jobs it will outperform cloth towels, paper towels or sponges. It has the same warm color and the supersoft feel of real hide chamois but picks up water three times as fast. It is great for spills plus it's abrasion resistant and hard to rip or stretch. It stands up to most solvents and cleaning agents, including grease, gasoline, ammonia, and bleach. It's 17″ x 27″ and costs **$13.00** ($1.95) #A520.

Gas Match

How many times have you singed your fingertips with a paper or wooden match? How often have you tried to get a match flame pointing down? The Gas Match does away with the ordinary drawbacks of matches, including two-handed operation and the need for a separate striking surface. The Gas Match lights at the press of a button (piezoelectrically), has a 3½″ nozzle, adjustable flame (1-2″), and can be refilled from the same butane cartridges used for cigarette lighters. It gives you the safest, easiest, quickest means to light a fireplace or barbeque grill. **$12.00** ($1.95) #A688.

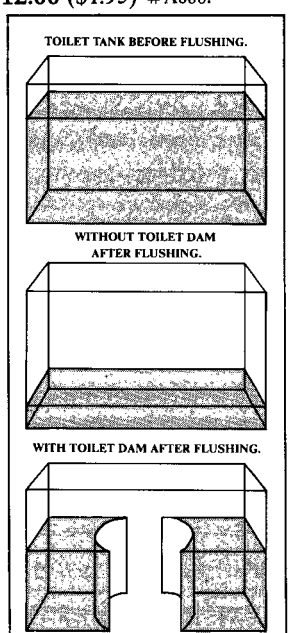


Dust Magnet

If we ever compile a book on *The Old Ways That Were Better Ways,* we will certainly include a chapter on the lambswool duster. On its own it actually attracts and holds dust like a magnet. The static charge in the lambswool causes dust literally to leap off surfaces where it has accumulated, making this just the thing for dusting bric-a-brac, crystal, china, pictures and other fragile items. When soiled, just wash it in warm soapy water. A 20″ authentic lambswool duster is **$8.00** ($1.95) #A163.

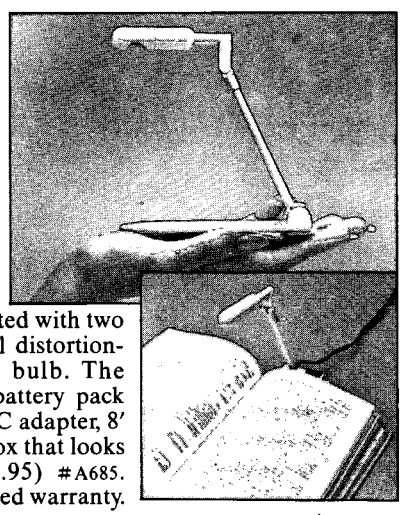
Toilet Sanity

A government study shows that 45% of the water used by the average American family gets flushed down the toilet. That is 90 gal. per day for the family of four. The conventional flush toilet uses 5 to 8 gal. of clean fresh water each flush, when 2.5 to 3 gal. is sufficient. What can we do about this insanity? Use toilet dams. Putting a dam in the tank saves ⅓ to ½ the flush without reducing the toilet's effectiveness. (It doesn't reduce the *pressure* of the flush, just the amount of water used.) Putting dams in all your toilets could cut your overall water use (and bill) up to 20%. For **$11.00** ($1.95) #A259, we can supply first-quality toilet dam units made of stainless steel and thermoplastic rubber. It comes with a 5-year limited warranty and requires no tools (or special effort) to install.



Book Light

Here's a new tool just on the market that will brighten the life of any bookreader. It is a light that clips right on the book or magazine you are reading, flooding the open pages with a cool strong light ideal for reading. The light weighs just a bit over 2 oz. and is attentively crafted with two swivel joints and a special distortion-free lead crystal optical bulb. The Booklight comes with a battery pack (batteries not included), AC adapter, 8′ cord and spare bulb in a box that looks like a book **$29.00** ($3.95) #A685. Backed by a one-year limited warranty.



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"we must bend over backwards" to make sure that we only prohibit actions in which the threat to another person's rights is "direct and immediate." Given that there are obvious human costs attached to such lenient policies, I am sure that a well-meaning person could ask why it isn't a good idea to sacrifice a bit more freedom in order to make the world a bit more safe. There are trade-offs between liberty and security, and interesting things could be said about the problems they present, but in this case Rothbard says nothing about them—he simply lays down his assumption and proceeds.

To take another instance, he establishes the existence of a right to use violence in defending what is one's own by saying that if individuals do not have a right to defend their property then they do not "have total right to that property." A reader who is not tuned in to the author's way of thinking would be apt to ask why it is not possible to have a right which, nevertheless, one does not have a right to defend—at least by means of violence. Often, the problem seems to be that Professor Rothbard is so passionately convinced of the absolute importance of values like liberty and self-defense that he does not foresee the doubts and questions that might naturally occur to someone who has less than that degree of conviction.

At any rate, this book will undoubtedly be interesting to those who are familiar and sympathetic enough with his system to want to turn it over and see how its underparts are wired together. To others, it is likely to be interesting and frustrating by turns.

Lester Hunt is a professor of philosophy at the University of Minnesota at Morris.

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New Ideas about An Old Ideal

The Romantic Love Question and Answer Book
By Nathaniel Branden and E. Devers Branden
Los Angeles: Tarcher. 1982. 232 pp. $11.95.

Reviewed by Jack Kirwan

A couple of years ago, Nathaniel Branden wrote a remarkable book called *The Psychology of Romantic Love.* What made it remarkable was that after all the novels and sonnets and correspondence on the subject, Branden actually had some *new* things to say about romantic love—not only what romantic love is, but how to find it, nourish it, and (above all) keep it from shriveling up and dying.

The Romantic Love Question and Answer Book (which Branden wrote with his wife and professional colleague, E. Devers Branden) is a companion volume with essentially the same message. As Branden writes in the introduction: "Romantic love, rationally and appropriately understood, is not an unattainable dream, an adolescent fantasy, or a literary invention. It is an ideal within our power to reach. But reaching it demands a higher level of personal evolution and maturity than most of us have attained or even understood, and our failure to recognize and meet its demands brings so many love stories to their unhappy conclusions."

As the title says, it is a question-and-answer book. While obviously a companion work to *The Psychology of Romantic Love,* the earlier book is not a prerequisite to *Question and Answer.* It could be said that the first was the strategic study and this is the tactical one.

The book has eight chapters, each touching on a particular dimension of loving relationships, explored through questions and answers. The questions are generally simple, but the answers are not. Most are brief essays on philosophy, psychology, and other matters as they relate directly to various aspects of romantic love. The Brandens *do* give answers, but they aren't once-over-lightly pop psychology solutions. Their answers stem from some very basic philosophical premises. Earlier in his career, Nathaniel Branden was closely associated with novelist-philosopher Ayn Rand, and the influence shows. (But it is influence, not imitation. Branden is a highly original thinker, not a xerox machine.)

This is a very honest, candid book. While the Brandens do show that you can significantly improve your chances for success in a romance, they never offer lifetime guarantees. Taking the joyful risk of love—with no safety net or restrained commitment—means opening oneself up to the terrible possibilities of loss. Branden has been there. His previous wife Patrecia died in a drowning accident, and he writes feelingly about death and loss and the residual effect on

Nathaniel and E. Devers Branden

his life with Devers Branden. She discusses it from her perspective, as well.

They take on other rough topics—subjects like jealousy and infidelity—with similar frankness and openness. *Question and Answer* is studded with new insights about familiar situations. For example, outside relationships "sometimes make a bad relationship bearable. They keep a man and a woman from confronting their frustration. Their affairs are not a solution, but a painkiller."

Despite the caveats, painful aspects, and acknowledgment of uncertainty, the overall tone of this beautifully written book is very optimistic. The Brandens are positive people, and the whole theme of the book is that happiness is possible, but it's not a free lunch. "We would like to give back to men and women," write the authors, "the hope with which they started. The dream does not have to be abandoned, but we need more than love to make love last."

Jack Kirwan is assistant editor of the Energy Journal *at the University of Arizona.*

Murky Medicine

A Barefoot Doctor's Manual
By the Revolutionary Health Committee of Hunan Province
Seattle: Madrona Publishers.
1981. 384 pp. $12.95.

Reviewed by Jane Orient, M.D.

Mussolini is best remembered for making the trains run on time; Mao Tse-tung, for bringing health to the Chinese masses. After liberation, China had a severe shortage and maldistribution of Western-style medical facilities. Mao managed to expand massively rural health services during the Great Proletarian Cultural Revolution by exiling professors and surgeons to reeducation camps and burning books. Traditional practitioners, once referred to as charlatans and witch doctors, were made respectable, and millions of workers and peasants received rudimentary medical training. Barefoot doctors, who spend much of their time toiling in the rice paddies, have about three months of formal training.

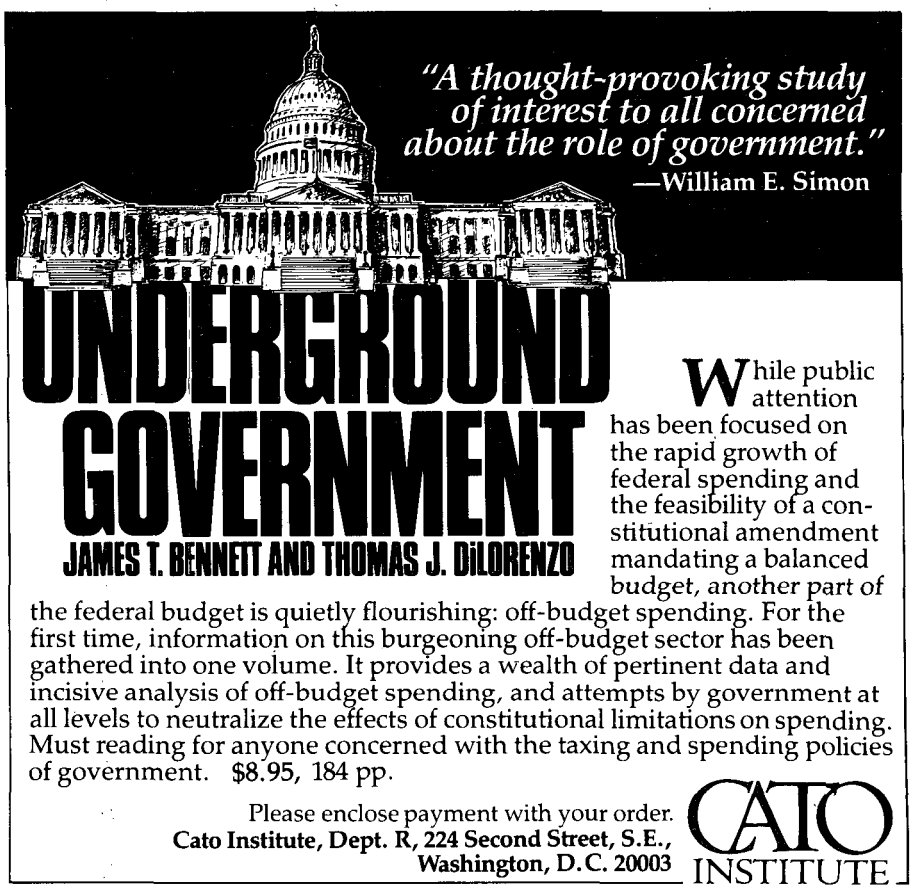
The Barefoot Doctors Manual has been highly touted as the model of an easily understood, prevention-oriented, popular health manual. The remedies are "tested and tried," and regarded as safe and economical. In this new edition, the publisher's preface moderates the warning issued previously about the use of herbs by the untrained and omits the mention of at least one West Coast death attributed to illegally imported Chinese medicines.

Ho hsieh both loosens up clots and stops bleeding!

The scope of the book is ambitious, extending from anatomy and physiology (both Western and Chinese concepts) to diagnosis and treatment of all sorts of medical conditions by Western drugs, acupuncture, and herbs. Tables of differential diagnoses for various symptoms are rather sophisticated: for headache, 14 causes are listed, ranging from tuberculous meningitis to acute glaucoma. The herbal approach seems the simplest; it is only necessary to distinguish exposure, liver yang-dominant, and kidney-deficient headache to choose the proper concoction. Acupuncture, massage, aspirin, and "other" treatments are also described, the last very succinctly: "treat cause of headache."

The section on first aid includes techniques taught in Girl Scouts for applying triangular bandages but differs from Western practice in crucial respects. Many types of tourniquets are pictured, to be loosened every hour, whereas Hamilton-Bailey's *Textbook of Emergency Surgery* recommends them only to allow sufficient time to clamp an artery, unless the limb is so badly injured that amputation is inevitable. The section on fractures does not allude to traction, a simple measure that has saved countless lives of soldiers who would have otherwise bled to death from fractures of the femur.

Acupuncture has stimulated great interest in the West and clearly is beneficial in the treatment of pain. Its efficacy in treating drowning victims, heat stroke, and gallstones (even when complicated by bile duct obstruction) is unproved and unlikely. Revolutionary developments increase the degree of stimulation by imbedding sutures in the acupuncture points and by incising them and moving a scalpel around in the fat tissue. The barefoot doctor is cautioned to stay away from nerves and blood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vessels, although one acupuncture point appears to be directly over the median nerve to the hand. Presumably, he will know where these are already, for no detailed diagrams are found in the book, despite pictures identifying the waist and the toes, as well as the eyeballs and the testicle, two locations where needle puncture is specifically contraindicated.

Herbs attract great attention both from lay people and scientists, who remember that digitalis was isolated from foxglove. The new appendix in this edition adds summaries of "scientific investigations," which conspicuously lack criteria for diagnoses and assessment of results and in most cases control groups. The broad spectrum—indeed, paradoxical activities—attributed to the herbs is quite remarkable: Ho hsieh both loosens up clots and stops bleeding. Yuan-tan (which is lead monoxide!) is used for vomiting, convulsions, and body odor. Man-t'o-lo aids rheumatoid pains, prolapse of the rectum, wheezing, and ringworm.

The Chinese seem to consider surgery a last resort, and its indications are stated very vaguely. Although the scalpel (at acupuncture points) is advised for bronchial asthma, intestinal parasites, and peptic ulcer, it is not mentioned for the relief of boils and felons. The patient may be referred after twice-daily acupuncture (for an unstated period) has failed to cure appendicitis. Surgical intervention evidently is never necessary in obstetrics. Chinese babies seem all to emerge head first, and if part of the placenta remains behind, herbs substitute for the curet.

Some Western drugs are available in China but are often used quite differently. Penicillin is prescribed (in tiny doses) for appendicitis but not for streptococcal infections of the skin. In carbon monoxide poisoning, the barefoot doctor must use his discretion in "symptomatic treatment through selective use of dextrose, nikethamide, caffeine or 1:1000 epinephrine according to different conditions." The clarity and completeness of these instructions is quite characteristic of the book.

The accurate information that the book does contain is difficult to find. While the book is fascinating for students of Chinese culture, the reader wishing medical advice is strongly urged to obtain a *Boy Scout Manual* in preference to this one.

Jane Orient is a medical doctor in private practice in Arizona.

HEALTH & WELFARE

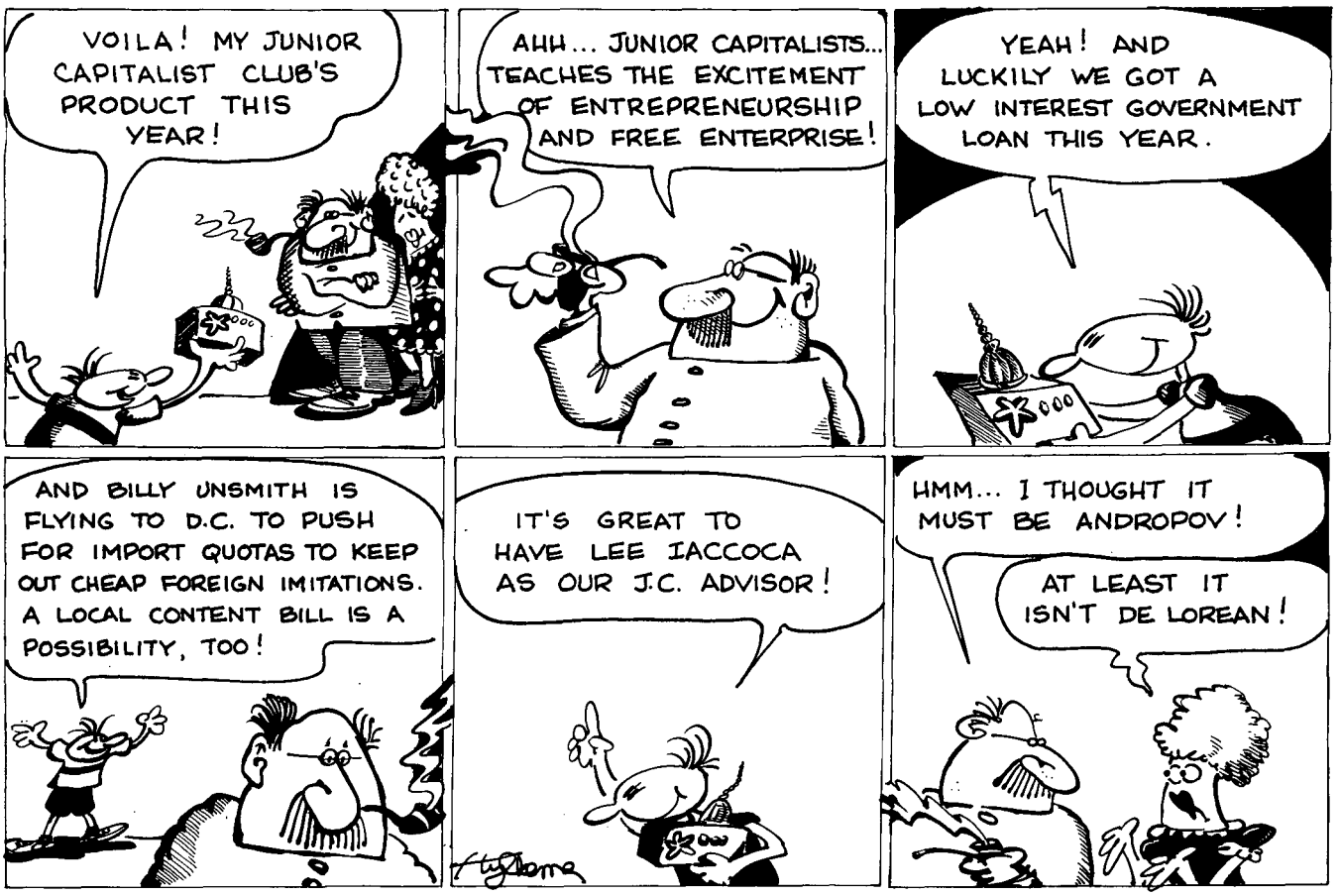
(Continued from p. 46)

Thanks to the FDA and the excessively stringent Kefauver drug approval amendments of 1962, we now find ourselves in the bizarre situation of new drugs being developed, manufactured, prescribed, and sold entirely outside of the health profession. We do *not* welcome the absence of health professionals in this new market. But this is a logical result of the FDA's brand of "consumer protection."

A list of scientific literature on this topic is available through REASON. *Send a stamped, self-addressed envelope and ask for H&W references, April.*
Durk Pearson and Sandy Shaw are consulting scientists and the authors of Life Extension.

rudebarbs

RANDALL K. HYLKEMA


VOILA! MY JUNIOR CAPITALIST CLUB'S PRODUCT THIS YEAR!
AHH... JUNIOR CAPITALISTS... TEACHES THE EXCITEMENT OF ENTREPRENEURSHIP AND FREE ENTERPRISE!
YEAH! AND LUCKILY WE GOT A LOW INTEREST GOVERNMENT LOAN THIS YEAR.
AND BILLY UNSMITH IS FLYING TO D.C. TO PUSH FOR IMPORT QUOTAS TO KEEP OUT CHEAP FOREIGN IMITATIONS. A LOCAL CONTENT BILL IS A POSSIBILITY, TOO!
IT'S GREAT TO HAVE LEE IACCOCA AS OUR J.C. ADVISOR!
HMM... I THOUGHT IT MUST BE ANDROPOV!
AT LEAST IT ISN'T DE LOREAN!

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Car 54 Where Are You?

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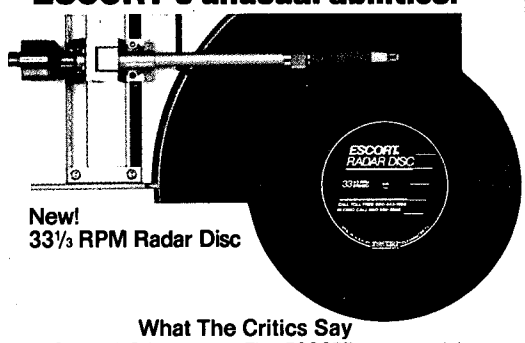

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33⅓ RPM Radar Disc

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